

# Sedona Performing Arts & Conference Center Feasibility Study

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PHASE ONE REPORT  
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## **Sedona Performing Arts and Conference Center Feasibility Study**

### **Phase One Report**

Prepared for the

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## **Introduction and Summary**

### **Introduction**

AMS Planning & Research (AMS) and Economics Research Associates (ERA) were retained by the City of Sedona to conduct a feasibility study for performing arts and conference facilities for Sedona. Phase One of the study, outlined in the report that follows, includes an assessment of the market potential for performing arts and conference facilities, analysis of potential user's interest in a performing arts facility, research into program opportunities, and comparable case studies. Based on the research, recommendations have been made regarding subsequent planning for Phase Two.

### **Methodology**

Over a five-month period from August to December 2003, AMS and ERA consultants conducted in-depth research and interviews to assess support for and interest in performing arts and conference facilities, including what form the facilities might take, its program components, where it could be located and how it might be operated. The market potential for arts programs was assessed using specialized demographic and consumer data. Similar conference and performing arts facilities around the country were investigated. Meetings with a committee of community leaders were held throughout the progress of the work to obtain feedback and guidance on recommendations.

### **Market Assessment**

#### ***Performing Arts***

The primary market for performing arts events in Sedona will be residents living within 20 miles from the location, a population of 70,000. A secondary market will be drawn from residents as far as 30 miles away, including Flagstaff. Overall, the market area shows a fairly strong potential for attendance at many kinds of performing arts activities; the rings around Sedona, with moderate



income, are somewhat weaker markets. High levels of income and education are indicators of audience potential. Considering the lifestyle profile of households in the area, analysis of national performing arts audiences, when compared to market area residents, suggests that a significant percentage of households exhibit a predisposition to attend a cultural arts event. Measuring this propensity using AMS's national databases reveals that the region's residents are much more likely to attend a classical music, stage play, opera or Jazz performance than the national average.

Considering tourists, an estimated 2 million visitors come to the area annually, about 60% of whom stay overnight.<sup>1</sup> Data describing the demographics of leisure visitors to Sedona<sup>2</sup> suggests that the tourist is mature, well-educated and upper income. About 11% of visitors report attending a cultural and they currently make up an estimated average 10% of cultural attendees (as high as 40% for some programs). Their demographics suggest they could be an important source of potential attendance. The small but reportedly increasing number of conference and meeting participants offers additional opportunities for attendees.

### ***Conference Center***

The market area for a conference center differs from that of a performing arts center in that it depends less on the resident market than it does on people coming to the area for a specific meeting or event. In that way it draws less specifically on the resident market population and on the general tourism populations.

There are two caveats to this point. The first is that conference centers typically are most successful when it is located in an attractive destination. The significant area tourism noted in the report and the substantial local hospitality industry including resorts – such as Sedona has – are a clear set of indicators that the area has significant appeal. The second caveat is that a significant local population, as typically found in major metro areas, can be a contributor to the success of a conference center. This is especially true if the metro area includes many companies and associations that may use a conference center. Sedona may be close to a major metro area but is not one itself. Nonetheless, the local market may contribute to the conference center and vice versa.

Conference centers typically have busy and slow seasons. The months of September, October, and the first half of November as well as March, April, May, and to a lesser extent, June are the busiest. Many can be active at a much lower level during the summer months if they are in a summer destination. That leaves very low utilization for half of November through February and only modest utilization from June through August. During these periods of time, utilization of the facility by local organizations can be encouraged for reasons of economic return and community building.

Generally, the major sources of demand for a conference center are corporations, associations, government, and what is often termed the SMERF market. (SMERF is an acronym for social, military, educational, religious, and fraternal organizations.) Arizona is already one of the leading meeting and conference destinations in the US for all of these markets. Like the convention center industry, one of the key distinctions is size. Another is quality. Conference center users can pick centers based on the appeal of a destination but only if there are adequately sized facilities to accommodate them.

Sedona is in two key market categories, the State of Arizona and that of a uniquely attractive resort destination based largely on unchanging natural assets.

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<sup>1</sup> Source: Northern Arizona University 1997 Tourism Report *Note: a forecast of 3 million annual visitors was made in this study prepared prior to 9/11. Local tourism officials estimate the number of visitors to be closer to 2 million annually.*

<sup>2</sup> Source: The Behavior Research Center of Phoenix, 2002

It's location in Arizona is important because the appeal of Arizona's weather, natural beauty, and other attributes have made it one of the nation's leading conference destinations. The conference center industry located principally in the Phoenix metro area (including Scottsdale and Carefree) is vastly outsized for a state with only one major metro area and as far as it is for other population centers. The appeal of Arizona for conferences is demonstrably strong in metro Phoenix where out of over a hundred hotels – almost all of which claim meeting rooms - twelve have dedicated conference centers whose largest space (a good comparative metric) is 10,000 square feet or greater (including a number whose largest space is considerably larger.) Three other independent conference centers in the Phoenix metro area fall in this category too. (Public convention centers are not included.)

Phoenix draws well year round (with the aforementioned monthly peaks) from a national and even international marketplace. It draws especially well from the California and Midwestern (seasonally) metro markets.

Sedona's conference centers already participate in this marketplace but typically are more reliant on southern California and metro Phoenix itself. In summer and fall Sedona is cooler than Phoenix resorts and draws business from the valley. Sedona is less well-known nationally. In size, its centers are limited in their capacity that Phoenix's. They top out at 5,000 square feet (again, for the largest space) and most have a smaller yet 2-3,000. They have the added challenge that Phoenix does not of the two-hour drive from Phoenix's Sky Harbor Airport but this has not been a deterrent for the current business at its conference centers.

Its non-metro location did cause us to look more nationally at other uniquely attractive resort destination based largely on unchanging natural assets across the US to see if they supported conference centers and if so, what size. We found many other communities with similar attributes that appeal to be successfully supporting conference centers of varying sizes with a number larger than Sedona's largest. These conference centers are profiled in an appendix few of them are as proximate to a national center of the conference center industry as Sedona is to Phoenix.

Sedona has added to its small conference center capacity in recent years. This has been rather forward thinking in some cases as the last two have been rebuilding years in the conference center industry as with all travel related industries as a result of a poor economy and the impacts of 9/11. The reports from the industry are that they are not doing great (with one very happy facility) but that they are doing okay. All have confidence in the Sedona market and have no regrets about their expansion and anticipate more business if Sedona is promoted for conferences (as opposed to tourism promotion.) Few are enthusiastic about the addition of another conference center. That in itself is not surprising. Other hoteliers in the community may be supportive if the facility is seen as being "their conference center too" whose overnight business is shared among existing hotels. Hotels without conference centers have not done as well as the recent slow period as those with conference centers.

### **Community Opinions**

Over 50 structured in-person interviews were conducted with a selection of key individuals from throughout the city and region representing the arts, business, educational institutions, visitor industry, and city government in order to generate information on related community issues, visions for the cultural arts and conferencing in Sedona, and opinions with respect to the facilities.

The results of the research indicate support for, and interest, in a performing arts center and conference facilities. The development of such facilities is seen as a “coming of age” of the region as a quality place to live, work and visit. It would serve local residents with an interest in the arts and enhance the area as a visitor destination, serving what is seen as an increasingly “upscale” visitor and second home residents.

The proposed facility would reinforce other cultural attractions in Sedona such as the Cultural Park, galleries and historical attractions. Local producing and presenting organizations cited the many limitations of existing venues (e.g., technical, site, audience amenities), most of which are churches and multi-use community centers. While many key leaders in the community are backing the project, concern was expressed about the community’s ability to raise funds to build a facility and, more importantly, support any operating shortfall. With regard to location, most community leaders favor a site to reinforce the City’s revitalization efforts.

### **Arts Needs Assessment**

A survey of cultural organizations was conducted to gather data on current audiences and programs, venues utilized and needs for facilities.

Of fifteen performing arts organizations surveyed, twelve indicated potential use of a performance facility. Asked to specify the optimal size for a performance venue, the survey revealed that there are two ranges of capacity that would meet the needs. Four groups described a proscenium theater with between 700 and 800 seats. Utilization of this theater was estimated at a minimum of 62 performance days (excluding rehearsals, set-ups, loading, etc.). Seven groups indicated a need for a theater of 200 – 300 seats; a total of 262 performance days were estimated. One group indicated interest in a large, 1,000+ seat theater but were able to forecast only 2 annual performances.

Additional needs identified in the survey indicate that a minimum of two rehearsal / classrooms would be required to meet the forecast need. These rooms would be multiuse but designed to meet the demands of the performing arts such as a sprung floor, mirrors and ability to block out stage productions.

### **Recommendation**

#### ***Performing Arts***

It would appear that there is ample justification for a small performance venue of about 200-300 seats; the primary potential users being Shakespeare Sedona and Canyon Moon Theatre. Considering a performance hall of 700-800 seats, on initial analysis, the indicated demand of 62 performance days alone is difficult to justify a new theater - typical annual use for theaters of this size is in the range of 150-200 performance days. However, if some of the demand for the smaller theater can be assumed to transfer to the larger venue (several local users indicated they would use a larger venue for some performances), and unforeseen prospective use for meetings and other events occurs, potential utilization could at least double. It is recommended that more discussion with local users ensue to determine exact use requirements.

#### ***Conference Center***

The previous market discussion suggests that the Arizona market, principally the Phoenix area, is a large and growing conference center market. Sedona’s forays into the market have been successful for years informally and modestly so since its recent expansions. The experience of other similar destinations with conference centers is also a factor that demonstrates likely success.

- This success has come with a minimal coordinated marketing effort – at best. Phoenix is well marketed and does well year in and out – and can be thanked (by Sedona) for helping to build Arizona as strong conference destination.
- We recommend further consideration of a conference center concept that does not duplicate the existing facilities in size but rather a larger one that will reach new markets and help the existing hoteliers without conference centers.

Our sense is that the large 5,000 square foot and larger (main space) market is now completely unserved by Sedona's existing facilities. Since the market is so large, it is worth further consideration in a Phase 2 study.

To summarize, based on the research for this study, AMS and ERA recommend that planning for a performing arts and conference center proceed to the next phase — Development Concepts, Site Evaluations, Cost Estimates, Management and Operations and a Funding Analysis. The research suggests that a performing arts and conference center project can attain the support of a broad sector of the community who could rise to the challenge of raising a substantial amount of funds to build the facilities. To date, the leadership of the community, both individual citizens and the City, has demonstrated a commitment to the project by funding this study. A great deal has been accomplished and considerable support gained. If this success can be sustained and built upon, it would appear that the community can turn this support into a successful project.

## **Market Analysis – Performing Arts Center**

In this section of the report, the environment in which a performing arts center would operate is defined, including potential audiences, community support and the “competition.”

### **Market Area Definition**

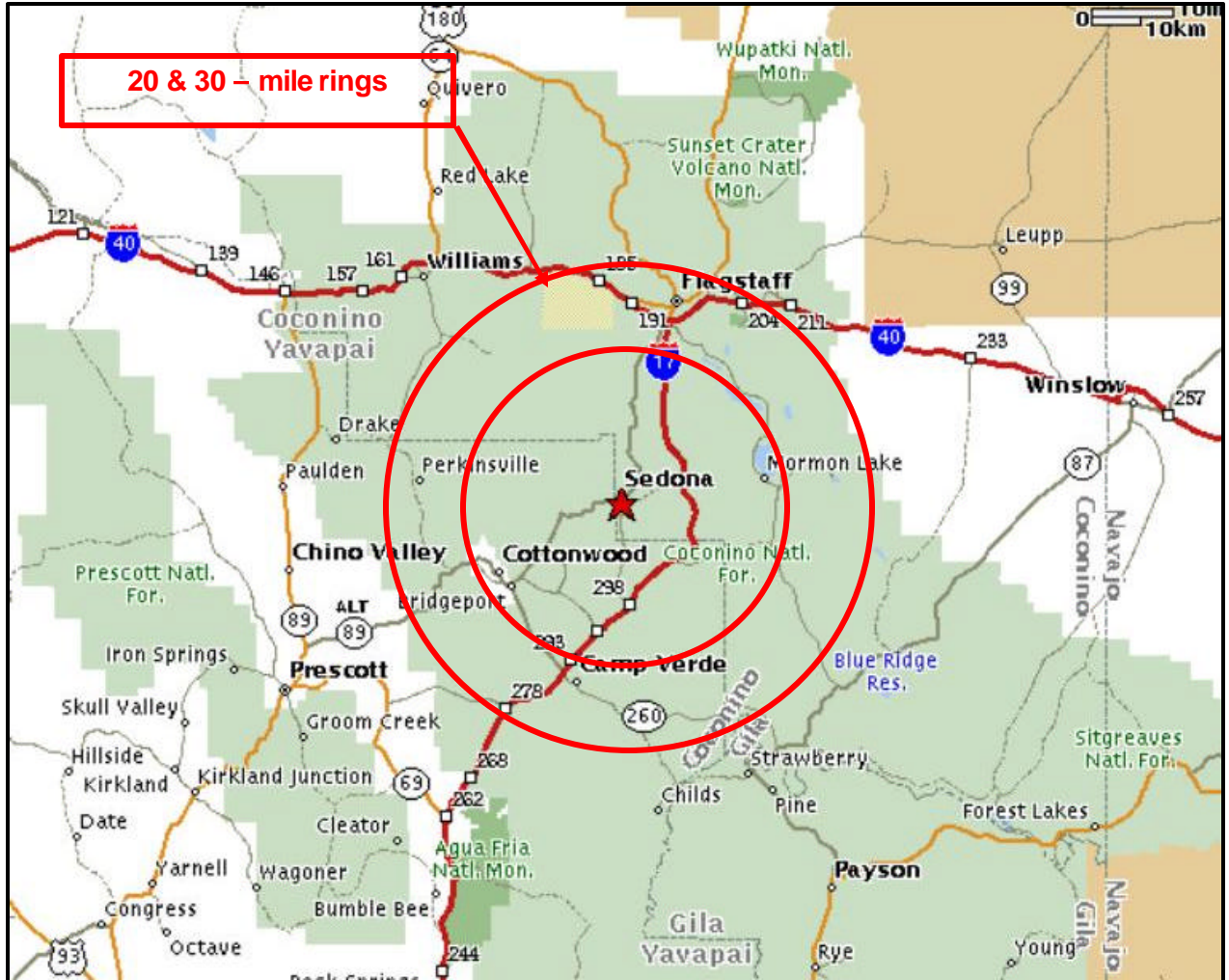
The market or “trade area” for an attraction such as an arts center is defined as a contiguous geography surrounding a specific location. Geographically, trade areas may be defined in several ways, including:

- Simple geographies such as a city or county
- A collection of ZIP codes
- The area within a radius around a central point
- An irregular area
- Highway access and natural barriers such as waterways and mountains impact trade area definition.

For cultural attractions similar to the proposed performing arts facility, research conducted by AMS has determined that the market area, from which at least three-quarters of patrons are drawn, usually falls within a radius that ranges up to 30 miles. A rule of thumb is that visitors may travel approximately as long as they expect their visit will last — usually one to one and a half hours for a professional quality performance. Performing Arts Centers in small communities and rural areas can draw from a larger area since thinly populated regions have a limited number of competing activities to choose from, and residents often seek cultural experiences from a wide area. The majority of day-to-day audiences for performances would be drawn from Sedona and the immediate surrounding area, a radius of 20 miles. A significant Secondary Market exists for which comprises communities within a thirty-mile radius, which includes Flagstaff to the North and the Verde Valley region. There are few competing attractions within this area (see below). The market areas are shown in Figure 1.

The analysis that follows provides data to compare the Primary and Secondary market area populations with the City of Sedona.

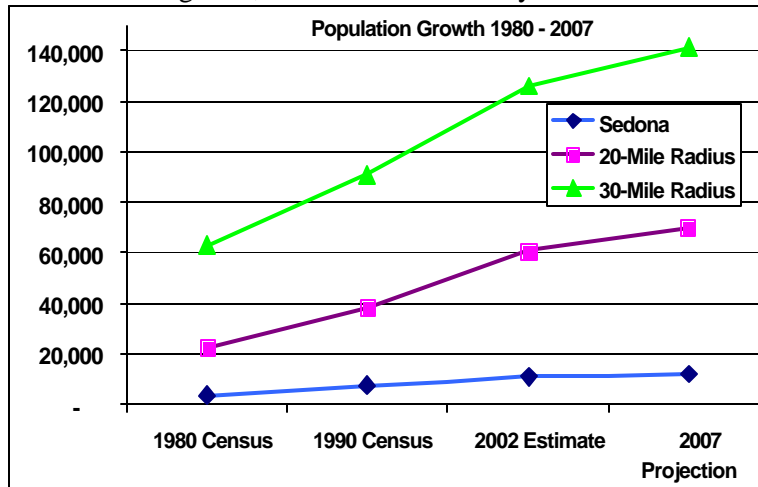
**Figure 1: Market Area**



## Market Area Demographics

### Population

As shown in Figure 2, in the 20-mile Primary market area the estimated population in 2002 was

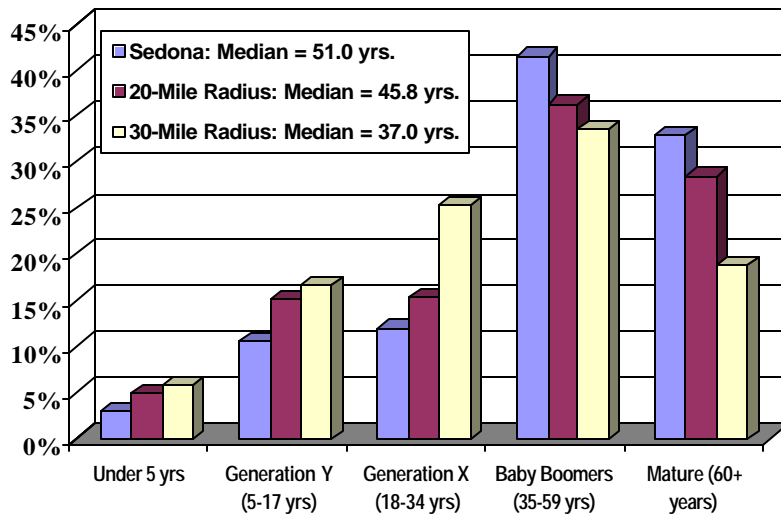


just under 70,000 and in the 30-mile Secondary Market, 142,500. The 20-mile radius saw very high growth of almost 60% between 1990 and 2000 compared to the regional growth of less than 40%. State population growth was less than 20%. Over the next five years the population is expected to grow at slower rates.

**Figure 2: Population Growth**

### Age

The age distribution of the residents of each the market areas varies considerably. The data

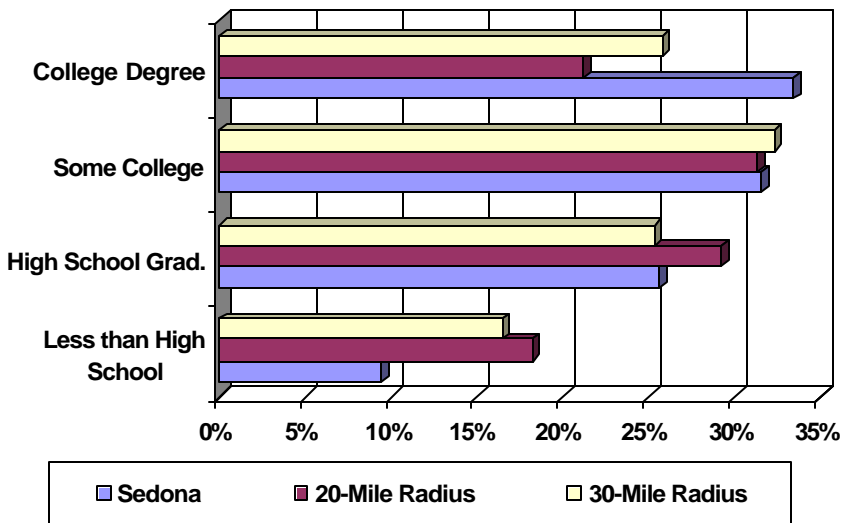


indicate that the median age (51.0 yrs) of residents of Sedona area is much higher than the surrounding region. Almost two in five residents of Sedona are between 35 and 59 years of age versus less than one in three residents of the surrounding region and State. Traditional performing arts programs tend to draw older audiences, which augers well for the prospects of a performing arts center in Sedona

**Figure 3: Age**

### ***Education***

Education level is the single most important predictor of attendance at performing arts events.

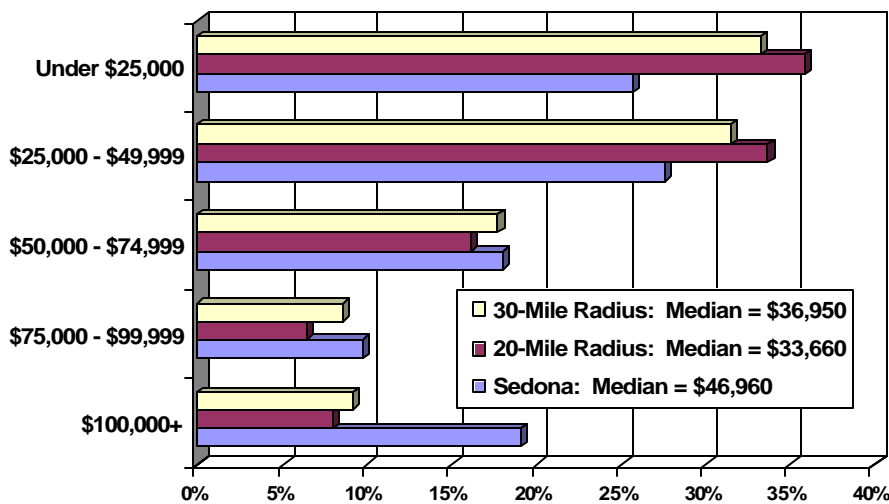


Over one-third of residents of Sedona have a college degree—the Arizona average is 23%. In the surrounding area only 21% of adults are college graduates. Successful programming of a performing arts center will need to appeal to a broad diversity of educational levels to attract both regional and Sedona residents.

**Figure 4: Education**

### ***Income***

The median household income in Sedona at \$46,960 is one-third higher than that for the

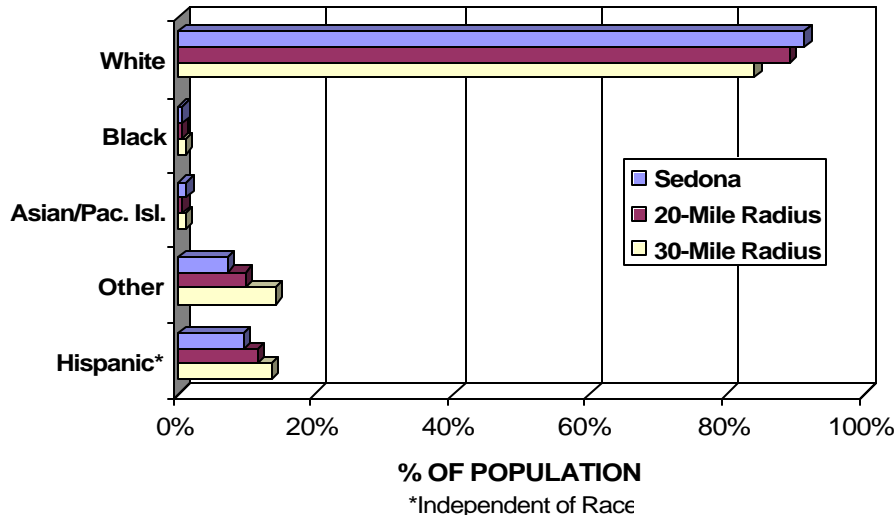


surrounding region. The median income of the region is about 10% lower than for the State. Admission and program fees will need to be affordably priced if residents of the area are to be attracted.

**Figure 5: Income**

### Ethnicity

Sedona is primarily White with a few Hispanics, compared to the State level of 26%. The

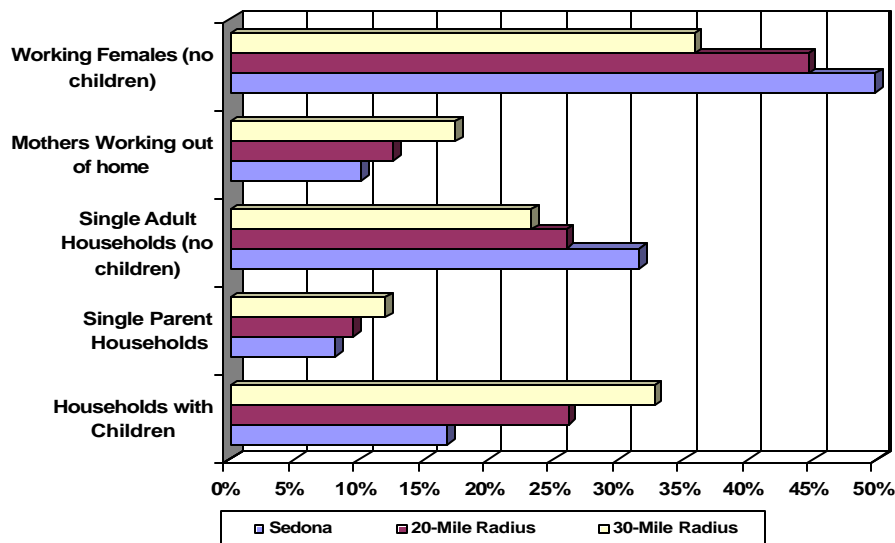


surrounding region is somewhat more diverse but still less so than the State. The Hispanic population is increasing rapidly, and reaching out to minority populations, most of whom are lower income, require careful program selection and targeted marketing efforts.

Figure 6: Ethnicity

### Household Composition

The household characteristics of Sedona differ markedly from the surrounding region. Almost one third of households in Sedona are headed by single adults, compared to the surrounding area



at 25%, similar to the State figure. The percentage of working women without children exceed regional and State numbers and there are many fewer households with children. These data reinforce the need for a theater to plan programs to serve diverse populations with respect to age, income, family situation and ethnicity

Figure 7: Household Composition

### ***Summary – Market Area Demographics***

Figure 8 presents a summary of key demographic variables that relate to prospective participation in cultural activities. Demographic measures such as education, household income, and age are most typically associated with cultural participation (i.e., over three quarters of the typical theater audience have college degrees and household incomes greater than \$75,000.) From this chart it can be summarized that the region would likely have a considerable percentage of residents who represent a typical cultural audience, although the low household incomes among residents in the area immediately surrounding Sedona indicates that affordable and family-oriented programs would be more successful in attracting audiences.

**Figure 8: Demographic Summary**

| <b>Variable</b>            | <b>Sedona</b> | <b>20-Mile Radius</b> | <b>30-Mile Radius</b> |
|----------------------------|---------------|-----------------------|-----------------------|
| 2002 Population            | 10,738        | 61,060                | 126,374               |
| Median Age                 | 51.0          | 45.8                  | 37.0                  |
| % Generation Y (5-17 yrs)  | 10.5%         | 15.1%                 | 16.5%                 |
| % Generation X (18-34 yrs) | 12.0%         | 15.3%                 | 25.3%                 |
| % Baby Boomers (35-59 yrs) | 41.5%         | 36.2%                 | 33.6%                 |
| % Mature (60+ Yrs)         | 32.9%         | 28.4%                 | 18.8%                 |
| Median Household Income    | \$46,955      | \$33,658              | \$36,955              |
| % over \$75,000            | 28.8%         | 14.3%                 | 17.7%                 |
| % with College Degree      | 33.4%         | 21.2%                 | 25.8%                 |
| Households with Children   | 16.7%         | 26.1%                 | 32.8%                 |
| % Black                    | 0.5%          | 0.4%                  | 1.0%                  |
| % Asian                    | 1.0%          | 0.5%                  | 0.9%                  |
| % Hispanic (all races)     | 9.4%          | 11.5%                 | 13.5%                 |

### ***Lifestyles***

MicroVision™, a market segmentation system developed by Equifax National Decision Systems, is a geographically based market analysis system that augments demographic data with consumer information to classify every household in the United States into one of 50 unique market segments. Each market segment consists of household that are at similar stages in the life cycle and share common interests, purchasing patterns, financial behavior, and demands for products and services, including cultural activities.

MicroVision was created by combining information from the Equifax Consumer Marketing Database with updated US census demographic data. Over 100 unique characteristics for more than 160 million individual consumers are used, including financial and consumer activity, demographic, socioeconomic, leisure activity and housing data. A detailed MicroVision Lifestyle analysis is located in an Appendix. Highlights follow.

**Figure 11: MicroVision Segments & Percentages**

| Seg.<br># | Segment<br>Name      | Sedona       |             | 20-Mile Radius |             | 30-Mile Radius |             | Arizona        |             |
|-----------|----------------------|--------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|
|           |                      | # of Hholds  | %           | # of Hholds    | %           | # of Hholds    | %           | # of Hholds    | %           |
| 39        | <b>On Their Own</b>  | 1,642        | 31.7        | 3,305          | 12.6        | 3,431          | 6.8         | 78,684         | 3.9         |
| 23        | <b>Settled In</b>    | 1,229        | 23.7        | 5,700          | 21.7        | 5,914          | 11.7        | 81,898         | 4.1         |
| 30        | <b>Domestic Duos</b> | 894          | 17.3        | 2,355          | 9.0         | 2,447          | 4.8         | 95,416         | 4.8         |
| 20        | <b>Secure Adults</b> | 503          | 9.7         | 2,621          | 10.0        | 2,958          | 5.8         | 70,163         | 3.5         |
| 14        | <b>Middle Years</b>  | 492          | 9.5         | 871            | 3.3         | 980            | 1.9         | 12,466         | 0.6         |
|           |                      | <b>4,760</b> | <b>92.0</b> | <b>14,852</b>  | <b>56.6</b> | <b>15,730</b>  | <b>31.1</b> | <b>338,627</b> | <b>16.9</b> |

Within the Sedona area, five MicroVision segments predominate. The ***On Their Own*** segment comprises a small but significant proportion of households in Sedona. These are young (20s and 30s) and senior (60+) urbanites with no children at home and average educational backgrounds. They are about half as likely as the average household to be cultural participants.

***Settled In*** households (23.7% of the primary market area) are predominantly older couples with no children, or single-person households. They have medium income and education levels, and a high likelihood of being retired. With large amount of leisure time and some discretionary income, these households are good prospects to be museum attenders.

The ***Domestic Duos*** segment has the highest average age of any MV segment — forty-five percent are over 55 years of age; nearly 20% are veterans. This segment ranks first of all MV segments in the numbers receiving some form of retirement income. Education levels and occupational characteristics are near average. Arts attendance is average.

***Secure Adults*** households are older singles and couples with no children and a household income near the national average. They have typically attended some college. They are roughly 20% more likely than the average household to attend theater or Broadway shows, and have average propensity for symphony attendance.

***Middle Years*** households are married couples between the ages of 45 and 59, many of whom do not have children. They are well-educated and work in white-collar occupations, namely professional, executive and managerial positions. Arts attendance is average.

Full descriptions of each segment are provided as an Appendix to this report.

### ***Market Area Potential***

AMS maintains an extensive database of arts patrons that has been utilized to assess the audience potential for arts programs in the market area. Analyses of patron data for cultural institutions throughout the US enable us to develop a multi dimensional consumer profile of the arts participant. Using the consumer profile to evaluate the market enables us to assign a potential index for specific geographic areas.

Figure 9 shows an index number for a range of arts activities for each of the market areas that compares the attendance propensity to the national average (index of 100 is the average). As an example, the index of 160 for Opera for Sedona indicates that residents are 60 percent more likely

to attend an opera performance than average. Overall, the Primary market area shows a fairly strong potential for attendance at many kinds of performing arts activities; the rings around Sedona being somewhat weaker markets.

**Figure 9: Market Area Potential Indices**

|                  | Sedona | 20-Mile | 30-Mile |
|------------------|--------|---------|---------|
| Ballet           | 106    | 85      | 97      |
| Broadway         | 93     | 81      | 102     |
| Classical Music  | 141    | 105     | 111     |
| Jazz/World Music | 206    | 176     | 153     |
| Opera            | 160    | 114     | 111     |
| Stage Play       | 155    | 107     | 111     |

### **Visitor Market**

Figure 10 below shows a ten-year trend of Sedona visitation. The data draw from a 1997 Northern Arizona University study, which estimated that 3 million visitors come to area annually. Resources at the Chamber of Commerce estimate that visitor attendance increases by three percent each year. Based on this data, 3.5 million visitors came to Sedona in 2003 and nearly four million will visit in 2007.

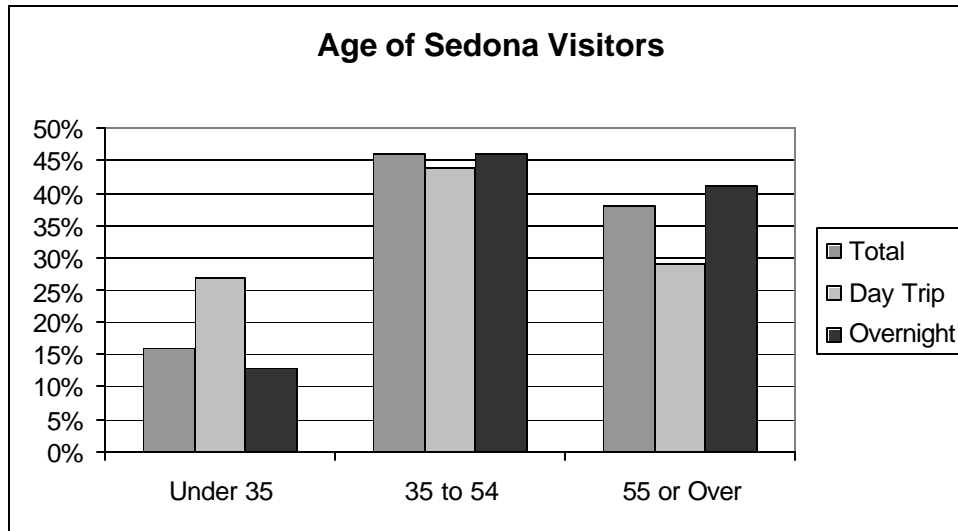
**Figure 10: Sedona Tourism**

| <i>Year</i> | <i>Visitors</i> | <i>Year</i> | <i>Visitors</i> |
|-------------|-----------------|-------------|-----------------|
| 1997        | 3,000,000       | 2002        | 3,477,822       |
| 1998        | 3,090,000       | 2003        | 3,582,157       |
| 1999        | 3,182,700       | 2004        | 3,689,622       |
| 2000        | 3,278,181       | 2005        | 3,800,311       |
| 2001        | 3,376,526       | 2006        | 3,914,320       |

*Source: Sedona Canyon Chamber of Commerce, Northern Arizona University 1997 Tourism Report, ERA*

While we understand that this study is controversial. It has not been withdrawn and remains useful for consideration. It was completed prior to 9/11 and therefore doesn't take into account how that event slowed and even stopped or caused decline in tourism growth in many parts of the country.

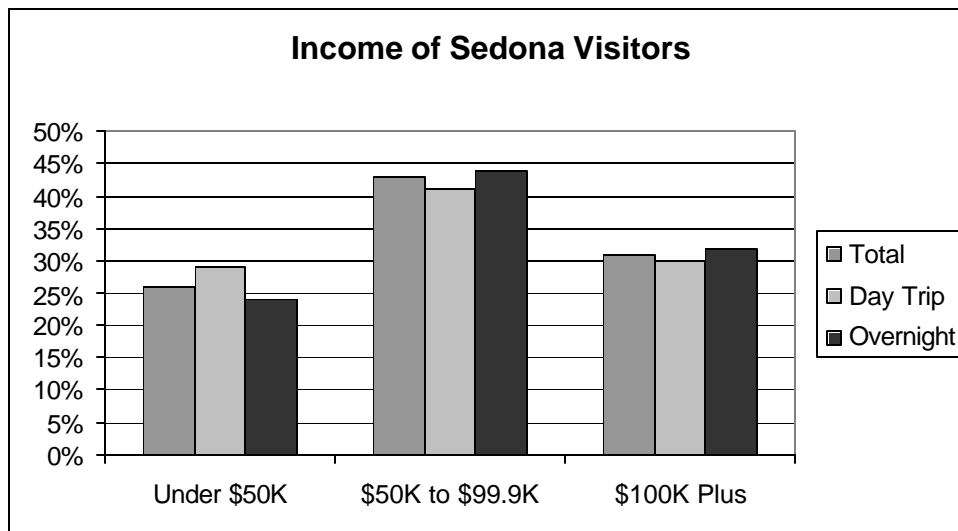
Another study, completed in 2002 by The Behavior Research Center of Phoenix for the Sedona/Oak Creek Chamber of Commerce, compiled demographic information about visitors to the area. About 49% of those who contacted the Chamber of Commerce for information visited, and another 19% indicated they would visit Sedona within the next year. Travel to Sedona is higher among males than females and is higher among those 35 years and older. The typical visitor is 50 years old, and 38% are 55 and older. Those that visit overnight are also older, 51.3 years versus 45.6 for day-trippers.



Source: Behavior Research Center

**Figure 11: Sedona Visitors by Age**

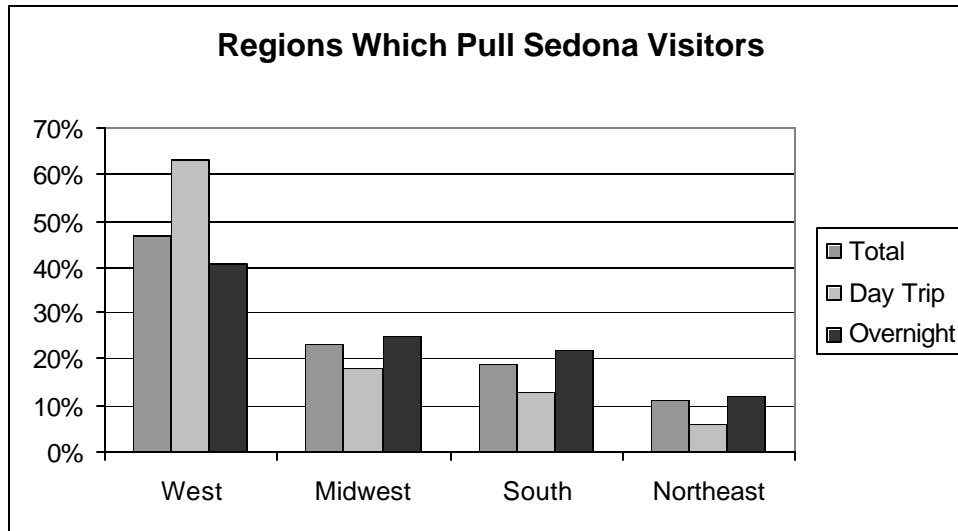
The median household income is \$76,800 for Sedona visitors, and overnight visitors have higher incomes than those that visit for the day (\$77,900 vs. \$75,000). The study indicated a direct correlation between higher income and the likelihood one would visit Sedona.



Source: Behavior Research Center

**Figure 12: Sedona Visitors by Income**

The West pulls the most visitors to Sedona with 47%, followed by the Midwest (47%), South (19%), and Northeast (11). More of the day-trippers come from the West than the overnight guests.

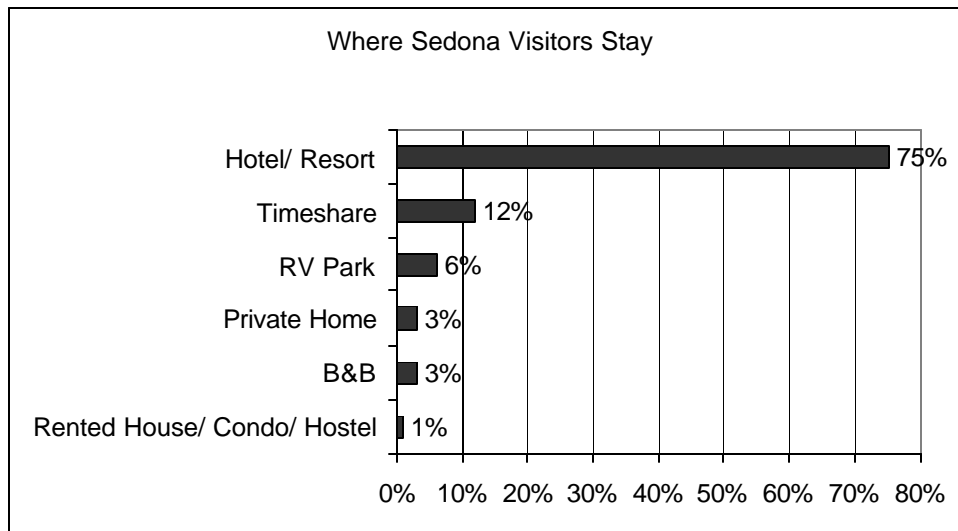


*Source: Behavior Research Center*

**Figure 13: Sedona Visitors by Source**

Ninety-five percent of Sedona's visitors arrive by car, followed by bus (3%) or plane (2%), and day-trippers are more likely to make the trip by car. Also, 98% of visitors indicate they are leisure visitors, and only 2% come to Sedona for business.

According to the Behavior Research Center, 59% of visitors are overnight guests, and 41% of Sedona's visitors are day-trippers. Of the overnight guests, 35% spend one to two nights, 11% spend three to four nights, and 13% spend five night or more. Furthermore, the report revealed that three out of four overnight guests stayed at a limited-services hotel or motel (31%), a full-service hotel (29%), or a luxury resort (15%). Out-of-state visitors are more likely to stay in limited services hotels (32%) and luxury resorts (16%) than Arizona visitors who prefer full-service hotel or motels (32%) and time-shares (16%).



*Source: Behavior Research Center*

**Figure 14: Where Sedona Visitors stay**

Over 50% of day-trippers spend less than \$100, with an average of \$97 per day. Only 10% of day-trippers spend \$300 or more. Overnight visitors spend an average of \$243 per day, and over 38% spend \$300 or more per day.

**Figure 15: Sedona Visitors' Spending**

|                | Day Trip | Overnight |
|----------------|----------|-----------|
| Under \$100    | 51%      | 14%       |
| \$100 to \$199 | 31%      | 26%       |
| \$200 to \$299 | 8%       | 22%       |
| \$300 to \$499 | 7%       | 23%       |
| \$500 or more  | 3%       | 15%       |

Sedona visitors have a wide variety of activities from which to choose when they visit the area. Eighty percent of visitors go shopping, while 50% of visitors engage in some sort of outdoor recreation. Art galleries and museums attract 43% of visitors.

**Figure 16: Activities in which Visitors Participated**

|                         |     |                |     |
|-------------------------|-----|----------------|-----|
| Shopping                | 80% | Cultural Event | 11% |
| Outdoor recreation      | 50% | Special Event  | 11% |
| Art Galleries/ Museums  | 43% | Spa Treatment  | 9%  |
| Hiking/ Biking          | 40% | Golf           | 7%  |
| Jeep Tour               | 20% | Camping        | 6%  |
| Spiritual/ Metaphysical | 14% |                |     |

*Source: Behavior Research Center*

Nearly 70% of visitors rated Sedona as an "excellent" place to visit. Many visitors, when asked about their impressions about Sedona, rated the area high for "great natural beauty", "fun place to visit," and "wide variety of outdoor activities" and "things to do."

**Figure 17: Opinion of Sedona as Destination**

|           |     |
|-----------|-----|
| Excellent | 69% |
| Good      | 28% |
| Just OK   | 2%  |
| Poor      | 1%  |

*Source: Behavior Research Center*

**Figure 18: Visitors' Perceptions of Sedona (Scale of 10)**

|                                    |     |                                 |     |
|------------------------------------|-----|---------------------------------|-----|
| Great natural beauty               | 9.7 | Many arts/ cultural attractions | 8.2 |
| Fun place to visit                 | 8.8 | Excellent summer weather        | 8.0 |
| Wide variety of outdoor activities | 8.5 | Many dining options             | 7.9 |
| Wide variety of things to do       | 8.5 | Small town feel                 | 7.6 |
| Many top notch lodging facilities  | 8.4 | Great place to golf             | 7.4 |

|                             |     |                                    |     |
|-----------------------------|-----|------------------------------------|-----|
| Excellent winter weather    | 8.3 | Reasonably priced area to vacation | 6.8 |
| A place for people like me  | 8.2 | Wide variety of nightlife          | 5.8 |
| Many shopping opportunities | 8.2 |                                    |     |

*Source: Behavior Research Center*

## **Competitive Analysis**

### ***Performing Arts***

A performing arts facility will operate in an environment with competing performance venues. Figure 19 lists the spaces in the region that are frequently used for live performance by local organizations.

In Sedona, the only theater equipped with a stage and fixed seating is located at Red Rock High School. It is primarily used for the school's and music drama classes and school assemblies. With a capacity of 210, it offers limited potential for professional performances. Moreover, the venue lacks technical support spaces and dressing rooms that are required for performers. Limited availability during the school year restricts its use to only a few dates. During the summer, Shakespeare Sedona offers two productions that run over four weeks. The group cites the lack of technical capacity, scenery handling, dressing rooms and the "atmosphere" of a school theater as limiting their potential to expand programming and increase attendance.

Canyon Moon Theatre, located in a converted retail space in the Old Marketplace, seats 105 persons and has a small platform stage. This space is barely adequate for the company's small-scale productions and is sorely short of necessary support space, dressing rooms, storage, offices, etc. Moreover, while the rent is quite low due to the benevolence of the owner of the mall, the company is on a month-to-month lease and could be displaced at any time. The theater is used occasionally by outside users; availability is limited because of the company's production schedule.

The Sedona Cultural Park, seating 5,500 in a beautiful outdoor setting, has generated considerable public interest since opening in 2001. On opening, the park was burdened with debt of a reported \$3 million and monthly interest payments of more than \$15,000. This, combined with less than expected attendance at its events, has created significant financial pressures on the organization. As of the date of this report, the Board of the Park is negotiating with a Real Estate firm to enter into agreements regarding additional development at the site of commercial facilities. Additionally, the Park has expressed interest in building a small indoor theater at the site (in accordance to their original masterplan). The Park hosted 28 shows in 2003 (45 event-days), a mix of concerts, festivals and family events. Park officials report that about 30-40 percent come from the Phoenix area, 10- 15 percent are tourists, 10-20 percent are Sedona and the balance come from the Verde Valley and Flagstaff areas.

All other performance venues in Sedona that are used by local producers and presenters comprise churches, conference facilities and community centers. All are seriously inadequate for live performing arts events, lacking even basic requirements for staging, lighting, sound and performer accommodations. While some of the churches claim good acoustics for classic al music and beautiful settings, they often restrict the types of productions and have limited availability.

One size of venue that is clearly lacking in Sedona is a theater seating in the capacity range of 500 to 1,000 seats. This size of venue is suitably sized for a wide range of live performance events. This size of theater usually is ideal for accommodating local events because it enables

performances of moderate production values (e.g., limited scenery), has acoustic volume for small music ensembles (and even smaller orchestras) and is not so large as to require projection of voices at the professional level.

**Figure 19: Regional Performance Venues**

| Venue                             | Capacity | Description  | Estimated rental cost |
|-----------------------------------|----------|--|-----------------------|
| Sedona Cultural Park              | ±5,500   | Open Air facility, no stage shell, minimal equipment                         | ±\$10,000             |
| Red Rock High School              | 266      | Built 2000, well equipped stage, lacks stage support (dressing rooms, shops) | \$200                 |
| Creative Life Center              | ±120     | Meeting room, configurable as performance space                              | \$175 - \$500         |
| Canyon Moon Theatre               | ±105     | Fixed seat, end stage, no fly, located in mall, limited availability         | N/A                   |
| Church of the Red Rocks           | ±200     | Church Sanctuary, poor sight lines   | ±240                  |
| Mingus High School                | ±700     | Used about 100 days per year for community rentals                           | \$150                 |
| Verde Baptist Church              | 750      | Cottonwood   | \$375                 |
| St John Vianney Church            | ±450     | Church Sanctuary   | \$150                 |
| Cottonwood Middle School          | ±500     | Gymnasium, no stage, limited availability                                    | \$30                  |
| Clemenceau Museum Gym, Cottonwood | 185      | Gymnasium, small stage, limited availability                                 | \$40                  |

### **Conference Facilities**

Three sets of conference facilities are profiled, two in the body of the report and the third in an appendix. The two sets in the body of the report are Sedona's existing centers and those in Phoenix. A third set, in the appendix, illustrates conference centers in cities that have some key similarity to Sedona.

In a sense, the Sedona and Phoenix facilities can be seen as competitive with the proposed project while the ones in other comparable communities can be seen as comparable facilities.

We also spoke with other meeting space providers in Sedona including the library, the community college, and the Creative Life Center. Generally we found that these excellent facilities had focused markets that they served (i.e., the great majority of the meetings at the library were for local organizations) that were narrower in scope than a for-profit conference center would be.

### **Select Sedona Resorts**

ERA identified and contacted resorts with conference/meeting space and conference centers in both the Sedona and Phoenix markets in order to determine the supply of meeting space and group event market trends.

The selected Sedona area resorts with conference or meeting space include:

- The Hilton Sedona Resort and Spa
- The Best Western Inn of Sedona
- Enchantment Resort
- L'Auberge de Sedona Resort
- Los Abrigados Resort & Spa
- Radisson Poco Diablo Resort

While all offer conference facilities, there are key differences among them. The six are not interchangeable. For our client the most basic distinction is that Enchantment and the Hilton Sedona are actually in Sedona. Another key distinction is market positioning. Just as the Hilton as a hotel pursues a different market segment of traveler than Enchantment or the Best Western, so too do their conference centers. The Hilton, for example is more of an upper middle market corporate and business property and Enchantment is a higher end deluxe market and competes more regionally with the Arizona Biltmore than the other properties in town.

**Figure 20: Select Sedona Resorts w/ Conference Space**

| <b>Facility</b>                   | <b>Hilton Sedona Resort and Spa</b> | <b>Best Western Inn of Sedona*</b> | <b>Enchantment Resort</b>   | <b>L'Auberge de Sedona Resort</b> | <b>Los Abridados Resort &amp; Spa*</b> | <b>Radisson Poco Diablo Resort</b> |
|-----------------------------------|-------------------------------------|------------------------------------|-----------------------------|-----------------------------------|--|------------------------------------|
| <b>Chain</b>                      | Hilton Hotels                       | Best Western                       | Leading Hotels of the World | Indep./Small Chain                | Indep./Small Chain                     | Radisson Hotels Resorts            |
| <b>Facility Type</b>              | Golf Course/Club/Resort             | Hotel                              | Hotel                       | Hotel                             | Hotel                                  | Golf Course/Club/Resort            |
| <b>Location</b>                   | Resort                              | Suburban                           | Resort                      | Downtown                          | Downtown                               | Mountain                           |
| <b>Guest Rooms</b>                | 219                                 | 110                                | 220                         | 58                                | 172                                    | 137                                |
| <b>Largest Meeting Room</b>       | 4,992 Sq. Ft.                       | 2,000 Sq. Ft.                      | 5,100 Sq. Ft.               | 2,515 Sq. Ft.                     | 2,380 Sq. Ft.                          | 3,300 Sq. Ft.                      |
| <b>Second Largest Meeting Rm.</b> | 3,794 Sq. Ft.                       | 1,000 Sq. Ft.                      | 987 Sq. Ft.                 | 459 Sq. Ft.                       | N/A                                    | 1,300 Sq. Ft.                      |
| <b>Ceiling Height</b>             | 14 Ft.                              | N/A                                | 80 Ft.                      | N/A                               | 10 Ft.                                 | 13 Ft.                             |
| <b>Peak Rates</b>                 | \$159 - \$279                       | \$99 - \$165                       | \$225 - \$375               | \$265 - \$425                     | \$225 - \$285                          | \$139 - \$159                      |
| <b>Off Peak Rates</b>             | \$119 - \$219                       | \$79 - \$120                       | \$195 - \$325               | \$230 - \$355                     | \$225 - \$285                          | \$119 - \$139                      |
| <b>High Speed Internet Access</b> | No                                  | No                                 | Yes                         | No                                | Yes                                    | No                                 |
| <b>Business Center</b>            | No                                  | No                                 | Yes                         | No                                | No                                     | No                                 |
| <b>Restaurant on Property</b>     | Yes                                 | No                                 | Yes                         | Yes                               | Yes                                    | Yes                                |
| <b>Fitness Center on Property</b> | Yes                                 | Yes                                | Yes                         | No                                | Yes                                    | Yes                                |
| <b>Golf Available On Site</b>     | Yes                                 | No                                 | No                          | No                                | No                                     | Yes                                |
| <b>Pool on Property</b>           | Yes                                 | Yes                                | Yes                         | Yes                               | Yes                                    | Yes                                |
| <b>Tennis Available On Site</b>   | Yes                                 | No                                 | Yes                         | No                                | Yes                                    | Yes                                |

**Figure 20: Select Sedona Resorts w/ Conference Space**

| Facility                      | Hilton Sedona Resort and Spa | Best Western Inn of Sedona* | Enchantment Resort | L'Auberge de Sedona Resort | Los Abrigados Resort & Spa* | Radisson Poco Diablo Resort |
|-------------------------------|------------------------------|-----------------------------|--------------------|----------------------------|-----------------------------|-----------------------------|
| <b>Golf within 5 miles</b>    | No                           | Yes                         | Yes                | Yes                        | Yes                         | Yes                         |
| <b>Concierge</b>              | Yes                          | Yes                         | Yes                | Yes                        | Yes                         | Yes                         |
| <b>Whirlpool on Property</b>  | Yes                          | No                          | No                 | No                         | No                          | No                          |
| <b>Mobil Rating</b>           | No                           | No                          | 4 Star             | No                         | No                          | No                          |
| <i>Source: www.mpoint.com</i> |                              |                             |                    |                            |                             |                             |

### ***Hilton Sedona Resort & Spa***

The 219-room resort has 14,000 SF of indoor meeting space, and 20,500 SF of indoor/outdoor space. The Canyon Ballroom can accommodate as many as 585 people and divides into two sections. The Oak Creek Canyon room accommodates up to 125 people, while Dry Creek Canyon seats 78 theater-style. There are two covered verandas and a pool patio for entertaining and six conference suites.

A little over half of group events are corporate, a quarter is conventions and associations, and the remainder is group tours, individual, tours, and wholesale. Regarding food and beverage operations, about 70 percent is banquet-style for conventions, while the remainder is catering and social. Of the catering business, 80 percent is for social events and 20 percent is for local companies. The resort has about 300 group events and 100 catering events in a year. The average group size is about 50 though they can accommodate up to 200 per event, and the average room block is about 50 rooms per night. The average length of stay is three days, and the peak season of operation is during the spring and fall (March to June and September to the second week of November). The summer months are the shoulder months, and off peak months are between November and February.

The resort opened in 1999. Since opening, it has added a second ballroom (4,992 SF) and the resort just completed a \$4 million renovation of the spa (purchased in 2002). In the resort's first year there was not a lot of group business. 2000 and 2001 were stronger years with 2001 being the best year for group business despite the 9/11 tragedy. After 2001, numerous factors (slower economy, the SARS scare, corporate travel cutbacks, etc.) led to declines in travel. Company meetings are reportedly big for Sedona however, companies must spend more money to get there because the nearest major airport is more than a two-hour drive. Previous to 2001 there were more companies coming from the Midwest area. Now, most of the corporate business is generated from the region (Arizona and southern California in particular). This is because companies are not spending as much money on travel and are staying closer to headquarters. Many of the groups are incentive (insurance, sales, pharmaceuticals, corporate management training).

The convention business is reportedly significantly down over the last three years. This is partially attributed to competing destinations like Phoenix (which added 3,000 rooms in the past year). Other limitations to attracting corporate and other group events include the lack of a commercial airport nearby, and a tendency for the community to focus on the leisure market. Staff believed that more focus on conventions and group events would spread the business more evenly throughout the week rather than the current flux of leisure business on the weekend (leading to increased traffic in the area, etc.)

### ***The Enchantment Resort***

The 220-room resort has 12,000 SF of indoor meeting space and 8,000 SF of outdoor space. Indoor space includes a 5,100 SF ballroom divisible into three sections. There are also three meeting houses (with residential-style floor plans including a kitchen, dining area, and bedrooms) and three rooms in the main clubhouse. A majority of the group business is corporate and incentive. Because associations and government groups are typically on limited budgets, they cannot afford luxury level resorts like this resort.

The average number of guests per event is about 50 (note that with incentives, event-goers tend to bring spouses), and the average room block ranges anywhere from 50 to 100. The average length of stay is three nights for groups and four nights for leisure guests. The busiest season is during the spring and fall seasons (July and August are off-season, September through the end of the year are the high season). January through President's Day is typically slower and picks up from President's Day through June). If staff could change anything they would have more space. One of the biggest obstacles in the Sedona market is the distance from the nearest major airport. It is reportedly difficult for groups to budget for mass transportation.

The three top markets on the leisure side are New York, Southern California, and metro Phoenix. Meetings are typically generated from groups coming from all parts of the U.S. Some of the main competition this resort faces includes several luxury resorts in Phoenix.

### ***L'Auberge de Sedona Resort***

The 58-room resort has 3,200 SF of indoor meeting space, and 5,000 total SF including exterior event space. Currently, the composition of guests is 80 percent leisure, 20 percent group. However, they are focusing on the meetings market and their goal is to have 50 percent of their business from group sales. Their current mix of group events is corporate and association. The average room block peaks out at 25 rooms, and group guests tend to stay an average of two to three nights. Their busiest seasons are October and November and March and April. The resort reportedly has been looking into getting more high-tech (more telephone lines, equipment, etc.). There is currently high-speed Internet access in only one room. The slower economy has reportedly affected everybody. Obstacles to increasing group business include the drive time from the major airport, and lack of local funding to promote Sedona as a meetings destination (alongside tourism promotion.) Staff also suggested working with the Phoenix area business to promote Sedona as a specialized city and destination for Phoenix area meeting-goers while visiting in the metro area.

### ***Radisson Poco Diablo Resort***

The 137-room resort has 8,500 SF of indoor/outdoor event space (5,500 SF is indoors). Approximately 30 percent of guests are leisure guests while 70 percent are with groups. Of the group business, 20 percent is corporate: 20 percent is association, 40 percent is SMERF (Social, Military, Educational, Religious, and Fraternal), 15 percent is tour, and five percent is

government. On average, there are 65 people in a group, 60 rooms in a block, and events last three days. The busiest months of the year are March through June and September through November, though September has been relatively weak. The resort could reportedly use more ballroom space particularly as many business events have social functions. There has been a slow increase in corporate business (which usually fills the resort Sunday through Thursday). Staff suggested that as Phoenix's meetings market grows Sedona's market would also grow. However, Sedona has reportedly been slow to promote outside Arizona. There has been a little growth outside Phoenix, though most of the growth has been coming from the Phoenix metro area. Some groups from the Midwest are also coming in.

### **Select Phoenix Conference Centers and Resorts**

Phoenix area conference centers and resorts compete with Sedona's for business both regionally, from the Southwestern US and for Arizona business. The range of scale and style if the Phoenix resorts with conference and convention centers is far greater than Sedona's. The Phoenix properties with conference centers are presented in several sets as they are so numerous.

The first set of Phoenix area resorts and hotels with conference/meeting space selected include the following:

**Figure 21: Select Phoenix Conference Centers**

| <b>Facility</b>                  | <b>Scottsdale Resort &amp; Conference Center</b> | <b>Black Canyon Conference Center</b> | <b>Orange Tree Golf &amp; Conference Resort</b> |
|----------------------------------|--|---------------------------------------|---|
| <b>City</b>                      | Scottsdale                                       | Phoenix                               | Scottsdale                                      |
| <b>Chain</b>                     | Benchmark Hospitality                            | Indep./Small Chain                    | Indep./Small Chain                              |
| <b>Facility Type</b>             | Conference Center                                | Conference Center                     | Conference Center                               |
| <b>Location</b>                  | Resort   | Other                                 | Resort  |
| <b>Guest Rooms</b>               | 326  | N/A                                   | 160   |
| <b>Largest Meeting Room</b>      | 10,400 Sq. Ft.                                   | 4,992 Sq. Ft.                         | 4,988 Sq. Ft.                                   |
| <b>Second Largest Meeting Rm</b> | 10,000 Sq. Ft.                                   | 1,728 Sq. Ft.                         | 1,504 Sq. Ft.                                   |
| <b>Ceiling Height</b>            | 22 Ft.   | 14 Ft.                                | 18 Ft.  |
| <b>Dedicated Exhibit Space</b>   | N/A  | 55,000 Sq. Ft.                        | N/A   |
| <b>Peak Rates</b>                | \$395  | -                                     | -   |
| <b>Off Peak Rates</b>            | \$210  | -                                     | -   |

**Figure 21: Select Phoenix Conference Centers**

| <b>Facility</b>                   | <b>Scottsdale Resort &amp; Conference Center</b> | <b>Black Canyon Conference Center</b> | <b>Orange Tree Golf &amp; Conference Resort</b> |
|-----------------------------------|--|---------------------------------------|---|
| <b>High Speed Internet Access</b> | Yes  | No                                    | No  |
| <b>Business Center</b>            | Yes  | Yes                                   | No  |
| <b>Restaurant on Property</b>     | Yes  | No                                    | Yes   |
| <b>Fitness Center on Property</b> | Yes  | No                                    | Yes   |
| <b>Golf Available On Site</b>     | Yes  | No                                    | Yes   |
| <b>Pool on Property</b>           | Yes  | No                                    | Yes   |
| <b>Tennis Available On Site</b>   | Yes  | No                                    | No  |
| <b>Golf within 5 miles</b>        | Yes  | No                                    | Yes   |
| <b>Concierge</b>                  | Yes  | No                                    | Yes   |
| <b>Whirlpool on Property</b>      | No   | No                                    | No  |
| <b>Mobil Rating</b>               | No   | No                                    | No  |
| <i>Source: www.mpoint.com</i>     |  |                                       |   |

***Scottsdale Resort & Conference Center – Scottsdale, AZ***

This resort and conference center has 50,000 SF of meeting space with 50 dedicated conference rooms. 90 percent of the meeting business here is with corporate groups. The average room block is 50 rooms and the average length of event is three days. The busiest season is between January through May, with business picking up again in September. Conversations with staff indicated that the amount of meeting space complemented the number of rooms (326 rooms). Business is continually bouncing back from the slump post 9/11. The types of groups in particular that are increasing in events include financial companies, pharmaceuticals, and technology-related companies.

***Black Canyon Conference Center – Phoenix, AZ***

The Black Canyon Conference Center has 25,000 SF of meeting space, including 11 meeting rooms, nine breakout rooms, and a conference room (22 rooms total). The center received about 30% of business each of association, government, and corporate events. The average size of event is 200 people, and association events tend to last two days, government events one day, and corporate events three days. The corporate events took the hardest hit post 9/11, but are starting to pick up recently. Government events have backed off a bit in part due to government budget constraints. Association events have remained strong.

Though the center does not have hotel rooms, there are hotels adjacent to the center, including the Courtyard Phoenix North, with 146 rooms. The center's busiest season is between September and May. The center has been looking into adding an amphitheater. Staff indicated that the breakout rooms (which accommodate six to eight people) are not used very often.

***Orange Tree Golf & Conference Resort – Scottsdale, AZ***

This 160-room resort (with two executive suites) has 10,000 SF of meeting space, including a 5,000 SF ballroom that is divisible into two sections, a 2,400 SF foyer, and a boardroom as well as additional space. This resort has been a time-share resort since 1992. Since turning into a time-share, the resort's group business has gone through some changes. The resort stopped doing major convention business in 1994. As the market changed (particularly with time-shares changing to the point system), the resort started doing more conventions. About half of the guests are timeshare, and another 25 percent are individuals (of which many are attracted to the resort because of its golf amenities). Most of the group business at the resort is local association business. As a result, most groups are comprised of individuals (not bringing a spouse). The average size room block for corporate groups is 40 rooms and the average length of group events is three days. The busiest season for the resort starts in October and goes through the end of May. The busiest months are November and April, mainly due to the golf business (lower rates during these months, tournaments, etc.). One thing staff would like to see added to its meeting facilities is high-speed Internet access. The resort currently does not have it because the resort was built in 1988 and it will reportedly be expensive to upgrade the resort to high-speed access. Meeting business trends include less cocktail receptions and activities like jeep tours due to corporate financial constraints, shorter meetings (three days instead of five) and more short-term planning (45-60 days prior to arrival as opposed to six months).

**Figure 22: Select Phoenix Hotels w/ Conference Space # 1-7**

| <b>Facility</b>                           | <b>Hyatt<br/>Regency<br/>Phoenix at<br/>Civic Plaza</b> | <b>Hyatt<br/>Regency<br/>Scottsdale<br/>Resort at<br/>Gainey<br/>Ranch</b> | <b>Pointe<br/>Hilton<br/>Squaw Peak<br/>Resort*</b> | <b>Pointe<br/>Hilton<br/>Tapatio<br/>Cliffs<br/>Resort*</b> | <b>Pointe<br/>South<br/>Mountain<br/>Resort</b> | <b>The<br/>Fairmont<br/>Scottsdale<br/>Princess</b> | <b>Wyndham<br/>Phoenix<br/>Hotel*</b> |
|---|---|--|---|---|---|---|---------------------------------------|
| <b>City</b>                               | Phoenix   | Scottsdale   | Phoenix   | Phoenix   | Phoenix   | Scottsdale  | Phoenix                               |
| <b>Chain</b>                              | Hyatt Hotels  | Hyatt Hotels   | Hilton Hotels                                       | Hilton Hotels   | Destination<br>Hotels &<br>Resorts              | Fairmont<br>Hotels &<br>Resorts                     | Wyndham<br>Hotels                     |
| <b>Facility Type</b>                      | Hotel   | Hotel  | Golf<br>Course/Club/<br>Resort                      | Golf<br>Course/Club/<br>Resort                              | Hotel   | Hotel   | Hotel                                 |
| <b>Location</b>                           | Downtown  | Resort   | Airport   | Resort  | Resort  | Resort  | Downtown                              |
| <b>Guest Rooms</b>                        | 712   | 500  | 563   | 585   | 640   | 650   | 532                                   |
| <b>Largest<br/>Meeting Rm</b>             | 15,000 Sq.<br>Ft.                                       | 14,280 Sq. Ft.   | 9,760 Sq. Ft.                                       | 16,000 Sq.<br>Ft.   | 20,000 Sq.<br>Ft.                               | 22,500 Sq.<br>Ft.                                   | 10,092 Sq.<br>Ft.                     |
| <b>Second<br/>Largest<br/>Meeting Rm</b>  | 10,168 Sq.<br>Ft.                                       | 11,840 Sq. Ft.   | 8,318 Sq. Ft.                                       | 13,200 Sq.<br>Ft.   | 8,000 Sq. Ft.                                   | 18,000 Sq.<br>Ft.                                   | 8,281 Sq.<br>Ft.                      |
| <b>Ceiling<br/>Height</b>                 | 16 Ft.  | 19 Ft.   | 15 Ft.  | 35 Ft.  | 33 Ft.  | 34 Ft.  | 15 Ft.                                |
| <b>Dedicated<br/>Exhibit Space</b>        | N/A   | N/A  | N/A   | N/A   | 20,000 Sq.<br>Ft.                               | 18,000 Sq.<br>Ft.                                   | 8,281 Sq.<br>Ft.                      |
| <b>Peak Rates</b>                         | \$230 - \$305   | \$195 - \$420  | \$199 - \$299                                       | \$169 - \$309   | \$159 - \$269                                   | \$99 - \$369  | \$215 - \$250                         |
| <b>Off Peak<br/>Rates</b>                 | \$89 - \$175  | \$100 - \$175  | \$89 - \$139  | \$89 - \$149  | \$89 - \$139                                    | \$99 - \$369  | \$89 - \$150                          |
| <b>High Speed<br/>Internet<br/>Access</b> | No  | Yes  | Yes   | No  | Yes   | Yes   | Yes                                   |
| <b>Business<br/>Center</b>                | Yes   | Yes  | Yes   | Yes   | Yes   | Yes   | Yes                                   |
| <b>Restaurant on<br/>Property</b>         | Yes   | Yes  | Yes   | Yes   | Yes   | Yes   | Yes                                   |

**Figure 22: Select Phoenix Hotels w/ Conference Space # 1-7**

| Facility   | Hyatt<br>Regency<br>Phoenix at<br>Civic Plaza | Hyatt<br>Regency<br>Scottsdale<br>Resort at<br>Gainey<br>Ranch | Pointe<br>Hilton<br>Squaw Peak<br>Resort* | Pointe<br>Hilton<br>Tapatio<br>Cliffs<br>Resort* | Pointe<br>South<br>Mountain<br>Resort | The<br>Fairmont<br>Scottsdale<br>Princess | Wyndham<br>Phoenix<br>Hotel* |
|--|---|--|---|--|---------------------------------------|---|------------------------------|
| <b>Fitness<br/>Center</b>                                  | Yes   | Yes  | Yes                                       | Yes  | Yes                                   | Yes                                       | Yes                          |
| <b>Golf Available<br/>On Site</b>                          | No  | Yes  | No  | Yes  | Yes                                   | Yes                                       | No                           |
| <b>Pool on<br/>Property</b>                                | Yes   | Yes  | Yes                                       | Yes  | Yes                                   | Yes                                       | Yes                          |
| <b>Tennis<br/>Available On<br/>Site</b>                    | No  | Yes  | Yes                                       | Yes  | Yes                                   | Yes                                       | No                           |
| <b>Golf within 5<br/>miles</b>                             | Yes   | Yes  | Yes                                       | No   | Yes                                   | Yes                                       | Yes                          |
| <b>Concierge</b>   | Yes   | Yes  | Yes                                       | Yes  | Yes                                   | Yes                                       | Yes                          |
| <b>Whirlpool on<br/>Property</b>                           | No  | No   | Yes                                       | Yes  | No                                    | No  | No                           |
| <b>Mobil Rating</b>  | No  | 4 Star   | No  | No   | No                                    | 4 Star                                    | No                           |
| Source: <a href="http://www.mpoint.com">www.mpoint.com</a> |   |  |   |  |                                       |   |                              |

***Hyatt Regency Phoenix at Civic Plaza – Phoenix, AZ***

The Hyatt Regency Phoenix is a 712-room hotel with 42,000 SF of meeting space and 15 meeting rooms. Government and association meetings comprise most of the meeting events.

The average group size varies greatly by event (anywhere from 12 to 500 people) and most events last three to five days. The busiest months for meetings are between September and May. Staff indicated that they could always use more meeting space and that the number of events has not changed much over the last few years.

***Hyatt Regency Scottsdale Resort at Gainey Ranch – Scottsdale, AZ***

This 500-room resort has 70,000 total SF of event space, of which 35,000 SF is indoor space. The final year-end composition of guests is about 60 percent group and 40 percent transient, though in the peak season (in spring) the composition trends in the opposite (60 percent transient). Average room blocks are larger than in the past (about 50 rooms as compared to 35 rooms). Incentive groups tend to be larger groups because spouses travel too, so average incentive groups are 75 to 80 people. Group events average about three days in length. The busiest months at the resort are March and April. The resort has not seen too many changes in meeting business over recent years. 2002 and 2003 were similar in terms of revenue generation,

though not as strong as 2001 pre-9/11. Though there is a significant amount of new competition in the Phoenix market, the resort is still seeing strong meeting business. Staff has noticed a trend of groups booking more short-term booking from as little time as a couple months in advance to month beforehand. Staff indicated that one reason why the resort has continually done well is because it continually is adding amenities to keep the resort “fresh” with the customers. For example, the resort recently added a new wine bar.

***Pointe South Mountain Resort – Phoenix, AZ***

This 640-room resort has 115,000 SF of total meeting and event space including 60 meeting rooms. About 90,000 SF of this space is indoors. About 60 percent of the resort’s business is leisure and 40 percent is group. Of the group business, about 40 percent is association and 60 percent is corporate. Of the corporate business, about one quarter is incentive business. The average room block for group events is about 75 rooms, and the average length of event is 3.5 days. The resort’s busiest months are February and March. Staff indicated that more spa space (more treatment rooms) would improve the resort’s business. Looking at group business trends, there has been some attrition over the years – groups are typically now underestimating the room block needed. Their top corporate business is pharmaceutical, followed by financial companies. Staff noted that groups are still flying to Phoenix for group events, particularly the pharmaceuticals that are for the most part located on the East coast.

***The Fairmont Scottsdale Princess – Scottsdale, AZ***

The 650-room resort has 22,500 SF of meeting space. 97 percent of the resort’s business is from groups consisting mainly of corporate and association events. The average room block is 200 rooms and the average number of guests per group is 300. The events, on average, last four to five days. The resort’s busiest months are August through November and groups typically travel from all locations in the U.S.

The second set of Phoenix area resorts and hotels with conference/meeting space selected include the following:

**Figure 23: Select Phoenix Hotels w/ Conference Space # 8-14**

| <b>Facility</b>      | <b>JW Marriott Desert Ridge Resort &amp; Spa</b> | <b>Camelback Inn Resort*</b>      | <b>Arizona Biltmore Resort &amp; Spa</b> | <b>N AZ University, duBois Center,*</b> | <b>Wild Horse Pass Resort &amp; Spa*</b> | <b>The Phoenician Resort*</b> | <b>The Westin Kierland Resort &amp; Spa</b> |
|----------------------|--|-----------------------------------|--|---|--|-------------------------------|---|
| <b>City</b>          | Phoenix  | Scottsdale                        | Phoenix                                  | Flagstaff                               | Phoenix                                  | Scottsdale                    | Scottsdale                                  |
| <b>Chain</b>         | Marriott Hotels, Resorts & Suites                | Marriott Hotels, Resorts & Suites | Indep./Small Chain                       | Indep./Small Chain                      | Sheraton Hotels & Resorts                | The Luxury Collection         | Westin Hotels                               |
| <b>Facility Type</b> | Hotel  | Hotel                             | Hotel                                    | Unique Venues                           | Hotel                                    | Hotel                         | Hotel                                       |
| <b>Location</b>      | Resort   | Resort                            | Resort                                   |   | Resort                                   | Resort                        | Resort                                      |
| <b>Guest Rooms</b>   | 896  | 453                               | 730                                      | 1500                                    | 500                                      | 654                           | 732   |

**Figure 23: Select Phoenix Hotels w/ Conference Space # 8-14**

| <b>Facility</b>                   | <b>JW Marriott<br/>Desert Ridge<br/>Resort &amp; Spa</b> | <b>Camelback<br/>Inn Resort*</b> | <b>Arizona<br/>Biltmore<br/>Resort &amp; Spa</b> | <b>N AZ<br/>University,<br/>duBois<br/>Center,*</b> | <b>Wild Horse<br/>Pass Resort<br/>&amp; Spa*</b> | <b>The<br/>Phoenician<br/>Resort*</b> | <b>The Westin<br/>Kierland<br/>Resort &amp; Spa</b> |
|-----------------------------------|--|----------------------------------|--|---|--|---------------------------------------|---|
| <b>Largest Meeting Rm</b>         | 33,000 Sq. Ft.   | 15,744 Sq. Ft.                   | 24,576 Sq. Ft.                                   | N/A   | 17,379 Sq. Ft.                                   | 22,040 Sq. Ft.                        | 24,644 Sq. Ft.                                      |
| <b>Second Largest Meeting Rm</b>  | 26,000 Sq. Ft.   | 4,320 Sq. Ft.                    | 14,904 Sq. Ft.                                   | N/A   | 7,130 Sq. Ft.                                    | 5,720 Sq. Ft.                         | 14,168 Sq. Ft.                                      |
| <b>Ceiling Height</b>             | 24 Ft.   | 18 Ft.                           | 19 Ft.   | N/A   | 20 Ft.   | 20 Ft.                                | 25 Ft.  |
| <b>Dedicated Exhibit Space</b>    | N/A  | N/A                              | N/A  | 15,000 Sq. Ft.                                      | N/A  | N/A                                   | N/A   |
| <b>Peak Rates</b>                 | -  | \$409 - \$450                    | \$330 - \$495                                    | -   | \$200 - \$300                                    | \$325 - \$425                         | -   |
| <b>Off Peak Rates</b>             | -  | \$149 - \$229                    | \$165 - \$245                                    | 0   | \$105 - \$195                                    | \$129 - \$245                         | -   |
| <b>High Speed Internet Access</b> | Yes  | Yes                              | No   | No  | Yes  | Yes                                   | Yes   |
| <b>Business Center</b>            | Yes  | Yes                              | Yes  | No  | Yes  | Yes                                   | Yes   |
| <b>Restaurant on Property</b>     | Yes  | Yes                              | Yes  | No  | Yes  | Yes                                   | Yes   |
| <b>Golf Available On Site</b>     | Yes  | Yes                              | Yes  | No  | Yes  | Yes                                   | Yes   |
| <b>Pool on Property</b>           | Yes  | Yes                              | Yes  | No  | Yes  | Yes                                   | Yes   |
| <b>Tennis Available</b>           | Yes  | Yes                              | Yes  | No  | Yes  | Yes                                   | Yes   |
| <b>Golf within 5 miles</b>        | Yes  | Yes                              | Yes  | No  | Yes  | Yes                                   | Yes   |
| <b>Concierge</b>                  | Yes  | Yes                              | Yes  | No  | Yes  | Yes                                   | Yes   |
| <b>Mobil Rating</b>               | No   | 4 Star                           | 4 Star   | No  | No   | 4 Star                                | No  |

Source: [www.mpoint.com](http://www.mpoint.com)

***JW Marriott Camelback Inn Resort, Golf Club & Spa – Scottsdale, AZ***

The 400-room resort has 25,000 SF of meeting space. Traditionally, the guests are half leisure and half group, though recently the trend has been 75 percent group and 25 percent leisure. The average number of people per event is 35 and events last about three days. The resort's busiest season runs from January through Easter. The resort turned into a JW Marriott in 2003 and is just completing an \$8 million renovation. Staff indicated that there is a significant amount of new competition in the Phoenix market.

***Arizona Biltmore Resort & Spa – Phoenix, AZ***

The 738-room resort has 100,000 SF of total event space, including a 25,000 SF ballroom, a 15,000 SF ballroom, an 11,000 SF ballroom, two other ballrooms totaling 7,000 SF, and a variety of breakout rooms. About 70 percent of the resort's business is from group events. Of the group events, about 70 percent is corporate and 30 percent association events. Because it is a luxury hotel, they host a significant number of corporate board meetings. The average length of stay is three nights, and the resort tries to book events requiring a 300 to 350-room block (though the actual average room block is probably lower due to the corporate board events). The resort's busiest months are January through May (this part of the season has most likely extended to due more flexible rates in the last couple years) and October. July, August, and December tend to be down months. Staff indicated that they have added more ballroom space to accommodate more local catering business (the 25,000 SF ballroom was just added in summer 2003 and another ballroom is only one year old). As far as group business trends are concerned, there is more short-term booking (from six months to 90 days). This is mainly due to the current uncertainty faced by companies in their financial situations. However, demand at the resort is reportedly starting to increase and projections for 2004 business are looking good. Pharmaceutical group business is still strong, and though financial company business has been dormant for a while, it is starting to come back. The resort still brings in groups from all over the U.S. and group sales representatives covering different geographic locations are reportedly still attaining sales goals.

***The Westin Kierland Resort & Spa – Scottsdale, AZ***

The 732-room resort has 160,000 total SF of indoor and outdoor event space, of which 75,000 SF is indoors (including 21 meeting rooms). About 65 percent of the resort's business is group business. Of that group business, about 70 percent is corporate. The average room block is 200 rooms and the average event lasts three days. The resort's busiest months are January through April. Staff indicated that the resort could use more meeting space, particularly more ballroom space to generate a better mix between catering and group business. Group business trends in recent years include very short-term booking because most corporations are not willing to commit resources. Business is still generated from all areas of the U.S.

## **User Needs Assessment**

A survey of cultural organizations was conducted to gather data concerning facility needs, current audiences and programs, venues utilized, and organizational data. A total of 15 organizations throughout the area were mailed surveys. Twelve performing arts organizations and one visual arts group responded. The following summarizes the results of the research.

### **Performing Arts**

#### ***Current Operations***

Total attendance at public performances in Sedona over the past year as reported by the twelve respondents was estimated to be 26,441 at 232 events (excluding Sedona Cultural Park presentations). On average, about two thirds of audiences are drawn from the immediate area although Jazz in the Rocks indicated that less than 5% of their audience is local. Regional audiences, including those from the Phoenix, area comprise an average of 24% of audiences. Tourists make up an average of about 10 percent of audiences but as high as 30% of Jazz on the Rocks and Red Rocks Music Festival performances. In addition to public performances, respondents to the survey indicated they conduct scores of classes, workshops, educational outreach activities that serve thousands more residents.

Clearly, the performing arts in Sedona are a significant factor in the economy. Total annual expenditures are about \$1.4 million (excluding the Cultural Park and the Red Rocks Music Festival). Interestingly, the total budgets reported for 2003 are more than three times the figures reported in an economic impact of the arts study conducted in 1992<sup>3</sup>. Over 100 full and part time staff are employed by the organizations. The organizations depend on volunteers to a significant extent - 700 volunteers are currently serving, according to the survey.

**Figure 24: Potential Users**

| <b>Organization</b>      | <b># Performances</b> | <b>Total Attendance per year</b> | <b>Annual Budget</b> | <b>Notes</b>   |
|--------------------------|-----------------------|----------------------------------|----------------------|--|
| Opera League of N AZ     | 4                     | 200                              | \$42,000             | Perform in homes, interest in small theater for opera concerts, prefer West Sedona |
| Canyon Moon Theatre Co.  | 139                   | 4,050                            | \$200,000            | Interest in small theater  |
| Canyon Singers           | 7                     | 560                              | \$7,600              | Perform in churches & Community center, seeking rehearsal space, 50+ singers       |
| Chamber Music Sedona     | 10                    | 3,500                            | \$303,444            | Perform at St. John Vianney, other churches  |
| El Valle Artists Assn.   | 10                    | 400                              | \$2,000              | Seeing lecture space, arts workshops   |
| Red Rocks Music Festival | 5                     | 1,000                            |                      | Use Yavapai College, Creative Life Center, need stage for symphony                 |
| Sedona Concert Band      | 8                     | 1,750                            | \$4,000              | Perform at SRRHS   |

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<sup>3</sup> The Impact of the Arts and Culture Industry on Sedona's Economy, Sedona Arts and Culture Commission, 1992

**Figure 24: Potential Users**

| Organization               | # Performances | Total Attendance per year | Annual Budget      | Notes   |
|----------------------------|----------------|---------------------------|--------------------|---|
| Sedona Jazz on the Rocks   | 6              | 9,700                     | \$550,000          | Perform at Cultural Park, Bars, SRRHS   |
| Shakespeare Sedona         | 14             | 1,600                     | \$123,000          | Perform at SRRHS, would expand season if better theater, need rehearsal & class rooms |
| (The) Sedona Showstoppers  | 12             | 2,000                     | \$17,000           | Perform at SRRHS  |
| Verde Valley Chamber Orch. | 2              | 215                       | \$4,066            |   |
| Verde Valley Concert Assn. | 5              | 3,500                     | \$81,000           |   |
| Verde Valley Voices        | 10             | 1,966                     | \$20,748           |   |
| <b>TOTAL</b>               | <b>232</b>     | <b>26,441</b>             | <b>\$1,354,858</b> |   |

### ***Facility Needs***

All twelve respondents identified a need for and potential use of a new performance facility. Asked to specify the optimal size for a performance venue, the survey revealed that there are two ranges of capacity that would meet the majority of needs. Four groups described a proscenium theater with between 700 and 800 seats; seven groups indicated a desire for a smaller facility of about 200-300 seats. One group forecast use for a 1,000-seat theater and one group desired a venue of about 100 seats. Figure 25 shows a summary of the desired seating capacity and projected use.

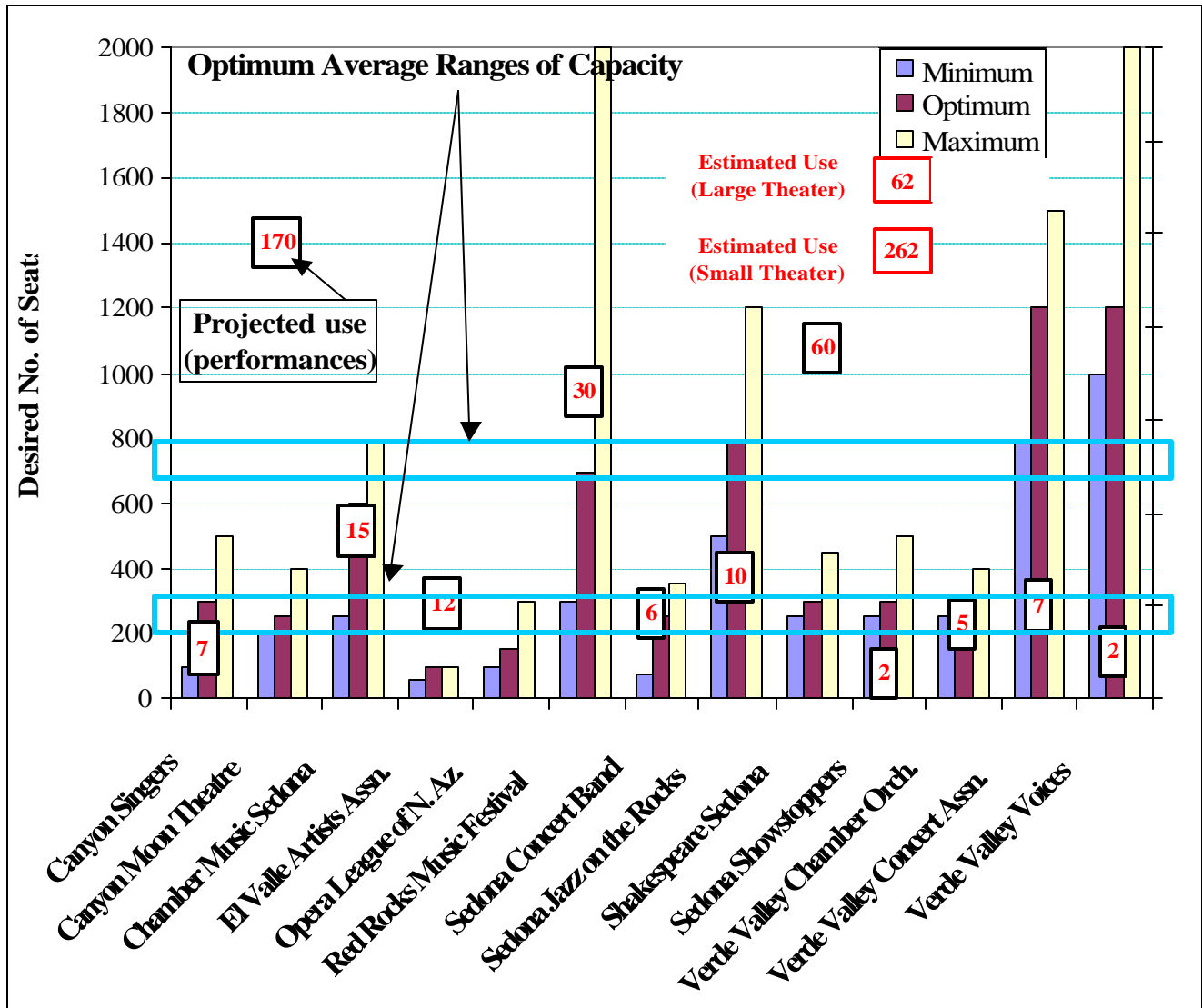
There does not appear to be justification for a large (1,000-seat or more) theater at this time. Only two potential users were identified and they indicated potential annual use of only 9 performances.

Considering the 700-800-seat theater, survey respondents projected about 62 annual performances. To accommodate theater, opera and Musical Theater requires a large stage with generous wing dimensions, a fly gallery, orchestra pit, lighting and sound equipment, and actor support spaces including dressing rooms and a large greenroom. The theater would also need to accommodate live music performances from a jazz ensemble to chamber music to small symphony orchestra, as well as popular concerts that use sound reinforcement. The acoustic qualities of the auditorium will need to be adaptable to meet the needs of such a wide variety of performance types.

A mid-size theater of about 200 seats was described by seven potential users projecting 262 annual performances. This space would be a flexible facility, perhaps incorporating seating using telescoping risers and a simple “platform” stage. The space would be fully equipped with lighting and sound systems and scenery flying capability (perhaps using a tension grid). The projected use is virtually 100% of capacity if rehearsal time, loading and load out and maintenance allowances are added. Further discussion with the prospective users may reveal that they could use the 700-800 seat theater for some larger events.

Typically performing arts facilities are also used for special events and meetings and these have not been estimated in this survey. If a conference center is built in close proximity to the theater, there would be significant potential for use of the venue for assemblies and presentations.

**Figure 25: Seating Capacity Requirements**



Most of the organizations surveyed suggested they would be able to pay rental fees in the range of \$250 to \$700 per performance for the larger theater.

### Visual Arts, Arts Education and Meeting Space

Nine of the organizations surveyed indicated needs for rehearsal, classroom and meeting space. Analysis of the surveys suggests that two classrooms would serve the need, one for equipped for theater and dance rehearsals (mirrors, sprung floor, theater lighting) and one suitable for music (risers, solo / sectional practice rooms). Additionally, at least one meeting room would be appropriate.

## **Summary**

It would appear that there is ample justification for a small performance venue of about 200-300 seats; the primary potential users being Shakespeare Sedona and Canyon Moon Theatre. Considering a performance hall of 700-800 seats, the indicated demand of 62 performance days alone is difficult to justify a new theater. Typical annual use for theaters of this size is in the range of 150-200 performance days. However, if some of the demand for the smaller theater can be assumed to transfer to the larger venue (some users indicated they would use a larger venue for some productions), and unforeseen prospective use for meetings and other events occurs, potential utilization could at least double. As planning progresses, more discussion with local users should ensue to determine exact use requirements.

## **Conference Center Needs**

### **Local & Regional Market**

There were several similarities between the selected Sedona-area resorts with conference/meeting space. Most resorts offer indoor and outdoor function space. Indoor space typically includes ballroom space as well as smaller dedicated meeting space and/or divisible space. The average room block per group event tends to range between 50 and 100 and the average event lasts three days. Because most of these resorts are considered to be luxury resorts (which is reflected in price points) most of their business tends to come from corporate and association events. The peak seasons for Sedona-area resorts falls in the Spring (March to June) and the Fall (September to November).

Conversations with group sales staff indicated that there are several major factors that have inhibited growth of the meetings market in Sedona, including:

- The lack of proximity to the major airport serving the area (more than a two-hour drive to the Phoenix airport)
- The lack of funding available locally to promote meetings business
- The significant number of rooms added to the resort market in the Phoenix metro market which has kept more meeting business in Phoenix.

The long drive to/from the airport, can make it difficult to attract meeting events from outside the Arizona area. Arizona (particularly the Phoenix metro area) and Southern California are reportedly the largest corporate markets for Sedona's meeting business. This is reportedly because companies are not spending as much money on travel and are staying closer to home. Many of the groups are incentive (insurance, sales, pharmaceuticals, corporate management training). Corporate events from financial companies are reportedly on the comeback after a down turn due to the slower economy and other impacts. In general, the meetings market has been slower in recent years due to various impacts (slower economy, SARS, the effects from the 9/11 tragedy, etc); however, meetings business has been slowly increasing, though with shorter lead times.

### **National Market**

Many similarities were apparent between the properties in the comparable markets. Several conference centers only have meeting space available and do not have hotel rooms on the property. Guests stay at local hotels.

Most business at the conference centers is 50% leisure and 50% group / corporate. Smaller centers with less meeting space tend to hold more social functions, such as weddings receptions and family reunions. Most conference centers host around 40 – 50 events per year, and the average length of an event is two to three days. The average number of guests is around 75, and the average room block for the comparables is around 50 – 75 rooms.

A common theme among many resorts and conference centers was the wish for:

- More meeting space, meeting rooms, and hotel rooms
- Facilities such as an indoor pool or whirlpool
- On-site food and beverage service, such as a restaurant or a kitchen.

The economic downturn and 9/11 has also impacted this industry in positive and negative ways. People are attending more local and regional conferences than national conferences as corporations look for ways to save money. Large groups are also not as prevalent as they were in the past, and bookings are not done as far in advance. In the past, reservations were usually done 90 + days before the event; now, they are made 30 – 90 days before the event. All these changes mean conferences are held at smaller venues than in the past.

More people are also driving instead of flying to save money. This trend has helped many conference centers on the East Coast that are within driving distance to Boston and New York City. This trend is also apparent in the Southwest. People in Los Angeles are more likely to drive to smaller resorts in Northern California and Arizona and New Mexico than in the past. The trend appears to be that if you are a small to medium-size conference center / resort within two to three hours of a major metropolitan area, business has increased substantially for you within the last two to three years. Corporate business has also decreased over the past few years, so conference centers are focusing their efforts on social and government groups. The internet has proved to be a very useful tool to many conference centers as a place to advertise. Overall, the trend is for people to spend less money and remain closer to home.

The following discussion addresses relevant historical statistics and facts. There are several well-known industry publications which have surveyed the respective industries over the past 15 years, including *Meetings and Conventions Magazine* (M&C), *Facilities Magazine*, *Directory of Conventions*, and *Amusement Business*. Background information was also obtained from the Urban Land Institute, the American Planning Association, and the Center for Exhibition Industry Research, supplanted by ERA experience with respect to conference facility development across the U.S.

### ***Historical Trends***

To gain a sense of overall trends in meeting activity for corporate, association, and convention groups, ERA analyzed a series of biannual surveys generated by M&C between 1991 and 2001. The surveys identify overall trends relating to number of total meetings and attendance, as well as more specific trends relating to event duration, exhibit space needs, site selection criteria, and other factors. The following table identifies changes in the number of meetings held by major convention, corporate, and association groups between 1991 and 2001, as determined by a survey of M&C readership.

**Figure 26: Number of Corporate, Association, and Convention Meetings**

| <b>Event</b> | <b>1991</b>      | <b>1993</b>      | <b>1995</b>    | <b>1997</b>    | <b>1999</b>      | <b>2001</b>      |
|--------------|------------------|------------------|----------------|----------------|------------------|------------------|
| Corporate    | 806,200          | 801,300          | 797,100        | 783,900        | 835,700          | 844,100          |
| Association  | 215,000          | 206,500          | 175,600        | 189,500        | 174,200          | 177,700          |
| Convention   | 10,200           | 11,800           | 10,900         | 11,300         | 11,600           | 11,800           |
| <b>Total</b> | <b>1,031,400</b> | <b>1,019,600</b> | <b>983,600</b> | <b>984,700</b> | <b>1,021,500</b> | <b>1,033,600</b> |

**Source:** *Meetings Market Survey 2002*

Over the 1991 to 2001 time period, corporate events have generated between 78% and 82% of this meeting activity, and have remained at 82% in 1999 and 2001. Association meetings have made up a smaller share of the surveyed meetings, between 17% and 21%. Convention events have made up the smallest share of the meetings market, with about one percent of the total activity.

The most notable trend in the above table is the highly cyclical nature of all meeting market segments at the national level. A significant decline occurred in the corporate and association meeting segments over the 1991 to 1995 period, when a combination of national economic conditions and international political events negatively impacted demand for meeting space. Corporate meetings continued to decline through 1997 then had its highest level of the decade in 1999 with 835,700 meetings. Corporate meetings again increased in 2001 reaching 844,100 meetings, the highest in 10 years. Association meetings decreased by 8% in 1999 compared to 1997, but showed a slight increase (2%) in 2001 from 1999. The number of conventions has varied from year to year with no regular pattern.

Aggregate attendance also follows this cyclical pattern following national cycles. The following table shows that corporate meeting attendance reached a height of about 55 million in 1993, but has since then dropped. Corporate meeting attendance has been slowly increasing since its fall in 1995 and has remained at around 51 million since 1999. Association attendance fluctuated over the past decade with a 10-year drop of attendance of 29%. In 1995, association attendance reached its lowest point at 15 million and has only increased to 15.9 million since. Within the association category, ERA noted significant growth was recorded in educational seminars and professional/technical meetings. The convention event category has shown the most volatility, by comparison, but has also remained relatively constant since 1999 at 12 million.

**Figure 27: Attendance at Corporate, Association, and Convention Events (000s)**

| Event        | 1991          | 1993          | 1995          | 1997          | 1999          | 2001          |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Corporate    | 49,565        | 55,090        | 49,326        | 49,868        | 51,014        | 51,500        |
| Association  | 22,544        | 18,748        | 15,121        | 17,939        | 15,599        | 15,900        |
| Convention   | 8,644         | 11,800        | 12,987        | 11,707        | 12,306        | 12,500        |
| <b>Total</b> | <b>80,753</b> | <b>85,638</b> | <b>77,433</b> | <b>79,514</b> | <b>78,919</b> | <b>79,900</b> |

Source: Meetings Market Survey 2002

The figures in the above table do not include spouse attendance, which can be significant for convention and association events. According to M&C surveys, spouse attendance has ranged between 40% and 45% of convention attendance, between 12% and 15% of other association meeting attendance, and between 10% and 21% of corporate meeting attendance. The ratio of spouse attendance to total attendance also mirrors economic trends. In ERA's experience, while the spouse may not attend meetings, they will certainly go shopping, visit tourist attractions, and generate other economic impacts. This is particularly true for events held at retreat or resort locations.

The following table identifies average attendance per event for each type of meeting. Overall corporate events draw an average of about 60 people, other association events draw an average of about 90 people, and conventions draw significantly more, at about 1,000 people per event on average. While the average is quite high, roughly 62% of reported attendance was generated by conventions with less than 500 delegates. This indicates a significant market for second and third tier facilities in terms of size.

**Figure 28: Average Attendance per Event**

| Event        | 1991      | 1993      | 1995      | 1997      | 1999      | 2001      |
|--------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Corporate    | 61        | 69        | 62        | 65        | 61        | 61        |
| Association  | 105       | 91        | 86        | 95        | 90        | 89        |
| Convention   | 847       | 908       | 1,191     | 1,036     | 1,061     | 1,059     |
| <b>Total</b> | <b>78</b> | <b>84</b> | <b>79</b> | <b>81</b> | <b>77</b> | <b>77</b> |

Source: Meetings Market Survey 2002, Economics Research Associates

From a marketing standpoint, the seasonality of meetings/convention business is vital. Facility marketing needs to focus on booking conventions during months (typically in the fall) when there are a majority of association groups looking for an event destination. Facilities typically respond to this challenge by developing a marketing plan that places precedence first on long-term (beyond 12 months) bookings for major conventions, and then on short term or filler business, which is typically booked by the facility within 6 to 12 months. Resort and retreat locations are driven more by the seasonal elements of the location. (i.e., ski-related conference centers are busiest in January and February, while golf-related resorts are busiest in the summer). A facility that serves multiple markets is in a better market position to overcome seasonal lags.

### ***Destination Selection***

The following table highlights survey responses concerning important location factors in selecting a site for a convention, association, or corporate event. As noted, the availability of hotels and meeting facilities is a major concern for corporate and association groups, along with affordability and transportation cost issues, particularly for convention and association groups. Based on historical survey responses from the 1991 to 2001 period, it appears that these issues have been consistent concerns for meeting planners, who are always trying to maintain a concentration of attendees at a single location and reduce travel time, both of which maximize the value of a meeting.

**Figure 29: Factors Considered Important in Selection of Destination**

| <b>Factors Considered "Very Important"</b>   | <b>Corporate Meetings</b> | <b>Corporate Incentives</b> | <b>Association Conventions</b> | <b>Association Meetings</b> |
|--|---------------------------|-----------------------------|--------------------------------|-----------------------------|
| Availability of Hotels or Meeting Facilities | 75%                       | 60%                         | 80%                            | 70%                         |
| Affordability of Destination                 | 68%                       | 52%                         | 75%                            | 76%                         |
| Safety/Security of Destination               | 57%                       | 70%                         | 51%                            | 45%                         |
| Ease of Transporting Attendees               | 57%                       | 52%                         | 50%                            | 50%                         |
| Distance Traveled by Attendees               | 49%                       | 37%                         | 49%                            | 54%                         |
| Transportation Costs                         | 49%                       | 45%                         | 39%                            | 43%                         |
| Clean / Unspoiled Environment                | 35%                       | 56%                         | 31%                            | 28%                         |
| Climate                                      | 30%                       | 78%                         | 23%                            | 19%                         |
| Mandated by by-laws                          | 26%                       | 26%                         | 26%                            | 23%                         |
| Availability of Recreational Facilities      | 24%                       | 83%                         | 19%                            | 16%                         |
| Sightseeing/Culture                          | 17%                       | 78%                         | 19%                            | 17%                         |
| Image of Location                            | 13%                       | 67%                         | 11%                            | 11%                         |

**Source:** *Meetings Market Survey 2002*

The table indicates that, the most important factors are availability of facilities and cost issues. It should be noted that, compared to previous year surveys, increased importance is being placed on the availability of recreational facilities, particularly golf, for both corporate meetings and association convention events. A primary component of this growth is corporate incentive trips, which also place emphasis on climate and sightseeing.

Corporate meeting activity is concentrated in several key regions, including the middle- and south-Atlantic states, the Pacific region, and the Midwest. This is confirmed through surveys

conducted by M&C. Within these regions are several states that capture a majority of corporate meeting activity, including Arizona, Florida, Illinois, Nevada, New York, Texas, and California.

### ***Facility Selection***

In addition to location, there is a range of facility attributes that are important in the selection of meeting facilities. Association meeting and convention groups view costs as a primary decision factors, although convention groups see the number, size, and quality of meeting rooms as more important. Of note is the importance conventions place on sleeping rooms, as compared to corporate and association meetings. Corporate groups see food quality as the most important consideration, followed by facility quality and costs. Area recreational, dining, and entertainment amenities follow management issues in terms of importance.

Conference centers are increasingly providing high technology capabilities for delegates, including fiber optics and high-speed computer lines for Internet access, video conferencing, etc. Between 1995 and 2001 corporate meetings use of video conferencing increased from 21% to 27% of meetings held, while association meetings decreased from 14% to 11%. These capabilities will be particularly important for any new meeting facilities, since it is more difficult to retrofit. ERA also noted that industry professionals have suggested that new technologies, such as the Internet, will make teleconferencing more attractive, gradually reducing demand for conference space. However, while new technology is more pervasive than ever, particularly in communications, ERA's experience would suggest that there will always be a need for face-to-face meetings. In general, most companies and associations view teleconferencing as a cost saving measure, with tradeoffs in terms of meeting productivity. Therefore, we see no real decline in the demand for meeting space.

**Figure 30: Type of Facility Used for US Meetings**

|   | <b>Association Meetings</b> | <b>Percent</b> | <b>Corporate Meetings</b> | <b>Percent</b> |
|---|-----------------------------|----------------|---------------------------|----------------|
| Downtown Hotel                            | 89,000                      | 47%            | 423,500                   | 42%            |
| Suburban Hotel                            | 37,900                      | 20%            | 141,200                   | 14%            |
| Resort Hotel (not including golf resorts) | 11,400                      | 6%             | 110,900                   | 11%            |
| Convention Center                         | 1,900                       | 1%             | 100,800                   | 10%            |
| Airport Hotel                             | 11,400                      | 6%             | 70,600                    | 7%             |
| Golf Resort                               | 3,800                       | 2%             | 50,400                    | 5%             |
| Suite Hotel                               | 1,900                       | 1%             | 20,200                    | 2%             |
| Gaming Facilities                         | -                           | -              | 10,100                    | 1%             |
| Residential Conference Center             | -                           | -              | 10,100                    | 1%             |
| Non-Residential Conference Center         | -                           | -              | 10,100                    | 1%             |
| Other                                     | 32,200                      | 17%            | 60,500                    | 6%             |

Source: Meetings Market Survey 2002

Often slightly differing pictures can emerge in research. Survey data from the PCMA annual survey notes a small meetings trend away from downtown hotels towards holding small off-premises meetings at resorts and conference centers.

**Figure 31: Location of Off Premises Small Meetings**

|                    | <b>1999</b> | <b>2000</b> | <b>2001</b> | <b>2002</b> |
|--------------------|-------------|-------------|-------------|-------------|
| Airport Hotels     | 17%         | 15%         | 15%         | 16%         |
| Conference Centers | 6%          | 8%          | 7%          | 31%         |
| Downtown Hotels    | 46%         | 46%         | 46%         | 25%         |
| Resorts            | 16%         | 16%         | 17%         | 18%         |
| Suburban Hotels    | 16%         | 15%         | 15%         | 15%         |

Similarly, the trend towards small meetings in general, as illustrated by the table below can be seen as beneficial to conference centers.

**Figure 32: Comparison of Number of Small Meetings in Most Recent Year to Previous Year**

|           |  | <b>1999</b> | <b>2000</b> | <b>2001</b> | <b>2002</b> |
|-----------|--|-------------|-------------|-------------|-------------|
| Increase  |  | 25%         | 20%         | 5%          | 41%         |
| Decrease  |  | 8%          | 7%          | 21%         | 27%         |
| No Change |  | 67%         | 73%         | 74%         | 32%         |

## **Community Context**

### **Key Informant Interviews**

Over 50 persons were interviewed to obtain input for this plan. Representatives of Sedona area businesses, educational institutions, arts patrons, philanthropic community and government were interviewed. The personal interviews followed a standard guide, which addressed respondents' awareness, experience with and understanding of the project, their views of the proposed project, and exploration of financial aspects of developing and sustaining a performing arts and conference facility. Interviews averaged about 45 minutes in length.

Highlights of the interviews follow; it should be noted that the highlights noted here do not represent the views of the consultants or the City of Sedona but represent the comments received in over 50 hours of meetings. *Note: Some statements may contain inaccurate information but are nevertheless included in order to provide a complete summary of the input.*

### ***The Market***

- There is a consensus among representatives of the visitor industry that the tourist market is “holding its own” following 9/11 and the economic downturn
- Several suggested that the nature of the Sedona tourist has changed, it is more “upscale” and perhaps older – this bodes well for potential attendance at arts events
- Many believe that a performing arts center would be a tourism draw, particularly to longer term, wealthy visitors
- The increasing number of timeshares concerns some; especially since Arizona State law precludes the City collecting occupancy tax. (In response, the City in some cases has negotiated payments in lieu.)
- The number of low income households is rising, local School Districts report a doubling of free and reduced lunch program in last five years

### ***Cultural Attendance***

- Several were of the opinion that the resident population would be insufficient to support new cultural facilities – “success will depend on upscale visitor”
  - Some organizations (e.g., Cultural Park, Jazz on the Rocks) report that locals make up a small percentage of attendees
- Representatives of local performing arts groups indicated they have difficulty selling evening performances – the resident population is elderly and reluctant to go out at night. Many of the venues used (e.g., churches) are not well lighted, partially because of local laws restricting nighttime lighting

### ***The Vision***

- Most agree that Sedona needs a performing arts center
  - Some think it should be large enough to accommodate major touring acts – an indoor Cultural Park (it was suggested by a few that the CP should be covered)

- Most think it should be small to meet the needs of Sedona's existing theater and music producers and presenters – 600 to 700 seats
- Most are aware that projecting use based on current supply of performances will come up short - "there are a lot of empty seats" – but many envision growth will fill the void

### ***Leadership***

- So far, leadership for the project is limited to arts supporters and the City – most recognize the need to engage a broader range of (wealthy) supporters

### ***Money***

- Most believe the City will need to participate in financing of a cultural or convention project
- Local Fundraising successes were noted:
  - Lowell observatory (\$10 million)
  - Cultural Park (\$3 million)
- Most other local funding (parks, humane society, Sedona Arts Center) have been less than \$1 million
  - Humane Society reported to be planning \$3 million project
- Some suggested that a bond election could raise funds
  - School District bond was \$92 million in 1992 (will be going out for additional money in 2004)

### ***Sites***

- Most interviewees tend to believe that a cultural / conference facility would be best located at the Cultural Park site
  - Seems to be based on "it is in the master plan; it will help the Park"
  - Co location with the college, proximity to the High school
  - Major downside is opposition by nearby neighborhood residents
  - Site lacks zoning for hotel and commercial development
- Forest Service site near the "Y" stirs some interest
  - Forest service plans to sell site and relocate their HQ, it will be an open bid process
  - Site contains historic building(s) reputed to be oldest in town; Historical preservationists want to preserve building as a museum
  - Site ties in to "arts district" (Creek Walk) – a pedestrian walkway that would link several sites in uptown/Tlaquepaque/Hillside
  - Traffic/vehicular access to the site would be problematic and pedestrian crossing of Highway 179 is a hazard

- Cliffs Site near Sedona Arts Center also stirs interest
  - According to listing Realtor, it's "in escrow" and is to be developed
- SAC could be interested in possible expansion as part of development of this site

### **Summary**

Analysis of the interviews indicates that there are a number of themes and issues relevant to the feasibility of a performing arts and conference center:

- Sustainability  
How can the facility best position itself to develop earned and contributed revenue to sustain itself operationally?
- Program  
How will a performing arts center balance the needs of local users and professional, touring programs?  
What would be the relationship between a performing arts center and conference center?
- Site  
What is an appropriate, available and affordable site?
- Money  
What are the respective roles of various potential funders? The City? Private donors? Yavapai College?
- Ownership and Management  
Who would own and manage the facilities?

The recommendations in this report are intended to provide a framework for discussion, decision and direction related to these issues and further planning.

## **Performing Arts Facility Preliminary Recommendations**

The consultant's research, interviews and meetings with community leadership, local arts groups, and educators, as well as analysis of local performance venues and the market research, have provided us with many insights into the needs and desires for arts facilities in Sedona. Local performing arts organizations have projected at least 62 performance uses for a 700 to 800-seat theater plus rehearsals and loading time. Additional uses for the theater would include touring arts programs, meetings, conferences, film showings and public assembly events for businesses, government agencies, educational institutions, social organizations and others.

The user research also indicates that there is demand for over 262 annual performance uses of a 200 to 300-seat venue. Local performing arts groups also forecast a strong demand for rehearsal facilities. A flexible "Studio Theater" theater is recommended. It would be equipped with movable risers and seating to accommodate a theater performance, recital or other event. With the seating removed, the space would be suitable for rehearsals, classes and other activities requiring a large flat floor area.

### **Proposed Use Types**

Before defining the physical spaces for a building, it is appropriate to establish some agreed-upon aims for the facilities. AMS believes that priority uses for a performing arts facility should provide for the following activities:

- Performances and presentations by local arts organizations
- Performances of the best available touring groups offering music, theater and dance
- Meetings, conferences and lectures

The chart below describes the potential uses for a performing arts facility and the technical and spatial requirements.

**Figure 33: Potential Use Types**

| <b>Proposed Uses</b>           | <b>Performance Type</b>                                       | <b>Stage Requirements</b>  |
|--------------------------------|---|--|
| Choral and Instrumental Music  | Recitals, chamber groups, choral                              | 4 to 40 performers, excellent natural acoustics                  |
| Dance                          | Ballet, Jazz, Tap, Modern, Folk, Ethnic                       | Up to 20 dancers, Orchestra (in pit)                             |
| Chamber Opera, Musical Theater | Musicals and chamber opera productions                        | Up to 40 performers, orchestra up to 10 musicians (in pit)       |
| Stage Plays                    | Full repertoire   | Large range of cast sizes  |
| Meetings                       | Wide range of assembly types                                  | Minimal, lectern, table for panelists                            |
| Touring Events                 | Popular, jazz, folk, ethnic recitals, children's theater, etc | Up to 30 performers, orchestra pit, scenery flying, easy loading |
| Film                           | 16mm (optional 35mm) projection, high quality sound system    | Retractable screen   |

## **Design Features**

The facility should incorporate features that enable it to be flexible yet provide a first-class theatrical environment for audiences and performers alike. The chart below indicates the spaces and features that should be incorporated into a facility.

The facility would be a “presenting” venue and would not incorporate production spaces. The design should allow for multiple uses of ancillary spaces such as the lobby, green room, and practice rooms for meetings and special events.

**Figure 34: Design and Technical Features**

| <b>Feature</b>                    | <b>Description</b>  |
|-----------------------------------|---|
| Theater                           | Generous stage dimensions; full fly system; proscenium arch with apron or thrust; orchestra pit.  |
| Lobby                             | Allow minimum 5 sq. ft. per person; suitable for informal performances, meetings, receptions, wall hanging system for art exhibits  |
| Dressing Rooms                    | At least 40 performers, include showers and toilets, large green room, separate dressing rooms for small theater, large chorus dressing rooms.  |
| Shops (set construction, costume) | Not included  |
| Offices                           | Accommodate small management staff of up to 5   |
| Storage                           | Plentiful “live” storage and permanent storage for equipment, supplies and orchestra instruments  |
| Box Office                        | Central box office for community events   |
| Concessions                       | Built-in bars in lobby  |
| Food Service                      | Catering service kitchen for receptions, social events, meetings, etc.  |
| Floors                            | Resilient floor for stage   |
| Sound System                      | Reinforcement, stage monitor, intercom, sound effects, hearing impaired system  |
| Stage lighting                    | Computer system (dimmer per circuit) for theater and concerts   |
| Acoustics                         | Adjustable acoustics for music and speech using retractable drapes and reflectors (to adjust reflection and reverberation); acoustical shell on stage, acoustical separation of rooms to enable spaces to be used simultaneously. Very low ambient noise. |
| Handicapped access                | Required throughout building for performers, technicians, staff and public  |
| Restrooms                         | To serve maximum audiences in lobby and front of house. Restrooms to serve administrative and technical staff offices and rehearsal rooms.  |

As planning progresses, more detailed space requirements will be developed in collaboration with prospective users.

### **Conference Center Facility Preliminary Recommendations**

A larger facility could draw larger conferences to the area that currently cannot be accommodated by the existing facilities and begin to compete with the Phoenix area (and the southern California conference centers) for some conferences and events. A larger facility would generate room night demand whose benefits could be shared among a number of existing hotel properties. In sum, such a facility could compete for the larger groups now unable to come to Sedona which currently use Phoenix or Southern California destinations.

We recommend the consideration a facility with a “largest space” of at least 10,000 square feet and perhaps double that in additional space. It would be wise to locate such a facility on a site where it could be expanded in the future. While a 10,000 square foot “largest space” facility would be twice as large as any in Sedona today, it would still be smaller than the largest space in a dozen Phoenix/Scottsdale conference centers.

A larger facility would:

- Be additive, it would give the Sedona market access to a conference market it is not serving today. This market is going to the 16 Phoenix/Scottsdale resorts whose largest rooms are 5,000 or more square feet and many Southern California resorts.
- It would be largely non-competitive with the existing local conference centers associated with hotel and resorts; and
- It would be large enough to “feed” business to a number of existing hotels that do not have conference space.

Phoenix has two significant competitive advantages over Sedona: it’s warm year round and groups can fly in and be at their destination with a short drive. Sedona will always bear the burden of a two-hour drive from Sky Harbor and a shorter season. This means any group planning a warm weather destination for their meeting will choose Phoenix over Sedona unless it is familiar with the distinction between Sedona and Phoenix as destinations. That said, it is easy to overstate the real importance of the two-hour drive. Many conferences already come to Sedona and pay for the use of facilities there.

The Phoenix group business itself (as well as the rest of Arizona) is aware of the distinctions between Sedona and Phoenix. We have been told that this is also true for the Southern California market. Since the Phoenix market can drive to Sedona and Southern California can drive or fly – but understands the special attraction of Sedona, they are the most logical target markets for a conference center.

To emphasize this distinction for these and future target markets a Sedona conference center should be distinctively “Sedona” in design, décor and in its outdoor spaces. This will be very helpful in differentiating it from the existing large facilities in Phoenix. Reinforcing and showcasing this difference will be critical to competing with the Phoenix market facilities.

Eventually the facility could be marketed to a larger market area that could either be a broader southwestern regional market or it could be derivative of the Northeast/Midwest market that Phoenix now serves. An expansion may be warranted as the facility moves on to target a larger area.

Today there isn’t much point in trying to reach the broader market as business from that broader market isn’t likely to be as aware of Sedona’s special assets. They are likely to see Arizona as one destination and Phoenix/Scottsdale as the best destination since planes land there and not understand the reward of the two-hour ride from the airport.

## **Appendix A: Market Data**

### **SUMMARY OF KEY DEMOGRAPHICS**

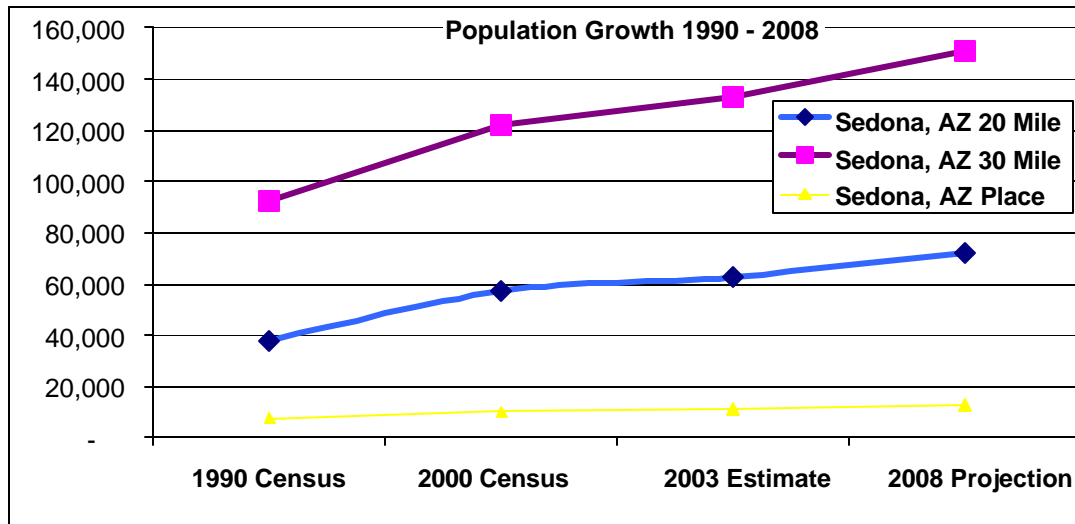
| <b>Variable</b>            | <b>Sedona, AZ<br/>20 Mile</b> | <b>Sedona, AZ<br/>30 Mile</b> | <b>Sedona, AZ Place</b> |
|----------------------------|-------------------------------|-------------------------------|-------------------------|
| 2000 Population            | 57,206                        | 122,376                       | 10,192                  |
| Median Age                 | 46.1                          | 37.2                          | 51.9                    |
| % Generation Y (5-17 yrs)  | 14.7%                         | 15.9%                         | 9.8%                    |
| % Generation X (18-34 yrs) | 16.2%                         | 25.4%                         | 13.0%                   |
| % Baby Boomers (35-59 yrs) | 34.7%                         | 33.2%                         | 39.0%                   |
| % Mature (60+ Yrs)         | 29.2%                         | 19.6%                         | 34.8%                   |
| Median Household Income    | \$40,310                      | \$41,203                      | \$49,274                |
| % over \$75,000            | 25.2%                         | 28.8%                         | 41.2%                   |
| % with College Degree      | 25.9%                         | 30.5%                         | 39.2%                   |
| Households with Children   | 63.5%                         | 62.4%                         | 57.4%                   |
| % Black                    | 0.4%                          | 1.0%                          | 0.5%                    |
| % Asian                    | 0.6%                          | 1.0%                          | 1.1%                    |
| % Hispanic (all races)     | 11.5%                         | 13.3%                         | 9.5%                    |

*Sedona Performing Arts and Conference Center Feasibility Study  
Phase One Report*

| Demographic Summary Report   |                    |                      |          |
|--|--------------------|----------------------|----------|
| Analysis Geography 1:  | Sedona, AZ 20 Mile | 1/11/2004            |          |
| Analysis Geography 2:  | Sedona, AZ 30 Mile |                      |          |
| Comparison Geography:  | Sedona, AZ Place   | Audience Insight LLC |          |
| Key Demographic Indicators   |                    |                      |          |
|  | 20.00 MileRadius   | 30.00 MileRadius     | Place    |
| 2003 Estimated Population  | 62,728             | 133,129              | 11,140   |
| Age Analysis:  |                    |                      |          |
| # of Children, Ages 5-14   | 6,860              | 15,891               | 800      |
| % Children, Ages 5-14  | 10.9%              | 11.9%                | 7.2%     |
| # of Adults, Ages 35-59  | 21,780             | 44,220               | 4,344    |
| % Adults, Ages 35-59   | 34.7%              | 33.2%                | 39.0%    |
| # of Adults, Ages 60+  | 18,337             | 26,057               | 3,878    |
| % Adults, Ages 60+   | 29.2%              | 19.6%                | 34.8%    |
| 2003 Estimated Households  | 17,191             | 33,444               | 3,087    |
| Income Analysis:   |                    |                      |          |
| # of Households with Income > \$75,000   | 4,339              | 9,624                | 1,272    |
| % Households with Income > \$75,000  | 25.2%              | 28.8%                | 41.2%    |
| Median Household Income*   | \$48,317           | \$51,316             | \$63,961 |
| *half above, half below  |                    |                      |          |
| Average Household Income (mean)  | \$64,489           | \$66,419             | \$91,414 |
| % 2003 Households Below Poverty  | 7.7%               | 8.9%                 | 4.8%     |
| Educational Attainment   |                    |                      |          |
| % Adults (25+) with Bachelors Degree or Higher   | 25.9%              | 30.5%                | 39.2%    |
| Race/Ethnicity   |                    |                      |          |
| % Population Hispanic (independent of race)  | 11.5%              | 13.3%                | 9.5%     |
| % Population Black/African American  | 0.4%               | 1.0%                 | 0.5%     |
| % Population Asian/Pacific Islander  | 0.6%               | 1.0%                 | 1.1%     |
| Marital Status & Children  |                    |                      |          |
| % Single   | 18.6%              | 28.3%                | 17.5%    |
| % Married  | 59.7%              | 54.2%                | 58.8%    |
| % Previously Married   | 22.7%              | 18.6%                | 24.6%    |
| # of Households with Children  | 6,702              | 15,829               | 914      |
| % Households with Children   | 24.8%              | 29.6%                | 17.0%    |
| Travel Time to Work, 2003 Pop. 16+ Yrs.  |                    |                      |          |
| % Less than 15 minutes/Work At Home  | 43.4%              | 49.2%                | 69.3%    |
| % 60+ Mins. Travel to Work   | 4.7%               | 4.5%                 | 2.3%     |
| Average Commute Time (in minutes)  | 22.1               | 20.2                 | 15.4     |
| Data reflect resident population only. Transient populations (e.g., seasonal residents, students) are not included. Data source: Claritas, U.S. Census, and updates. |                    |                      |          |

### **Population and Growth**

|  | <u>Sedona, AZ 20 Mile</u> | <u>Sedona, AZ 30 Mile</u> | <u>Sedona, AZ Place</u> |
|--|---------------------------|---------------------------|-------------------------|
| <b>POPULATION</b>                      |                           |                           |                         |
| 2008 Projection                        | 71,985                    | 150,861                   | 12,725                  |
| 2003 Estimate                          | 62,728                    | 133,129                   | 11,140                  |
| 2000 Census                            | 57,206                    | 122,376                   | 10,192                  |
| 1990 Census                            | 38,143                    | 92,308                    | 7,695                   |
| Growth 2003 - 2008                     | 14.8%                     | 13.3%                     | 14.2%                   |
| <b>HOUSEHOLDS</b>                      |                           |                           |                         |
| 2008 Projection                        | 31,307                    | 61,812                    | 6,111                   |
| 2003 Estimate                          | 27,068                    | 53,560                    | 5,374                   |
| 2000 Census                            | 24,555                    | 48,635                    | 4,928                   |
| 1990 Census                            | 16,325                    | 33,803                    | 3,811                   |
| Growth 1990 - 2000                     | 50.4%                     | 43.9%                     | 29.3%                   |
| <b>POPULATION GROWTH</b>               |                           |                           |                         |
| Change In Population, 1990-2000, Est.  | 19,063                    | 30,068                    | 2,497                   |
| Change In Population, 2000-2003, Est.  | 5,522                     | 10,753                    | 948                     |
| Change In Population, 2003-2008, Proj. | 9,257                     | 17,732                    | 1,585                   |
| Cumulative Change In Pop., 1990-2008   | 33,842                    | 58,553                    | 5,030                   |

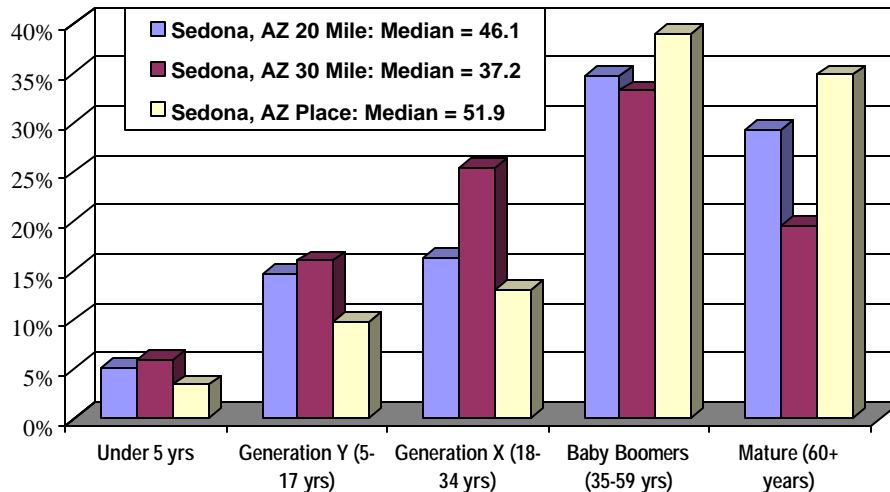


## ***Demographic Summary Report***

|                       |                    |                      |
|-----------------------|--------------------|----------------------|
| Analysis Geography 1: | Sedona, AZ 20 Mile | 1/11/2004            |
| Analysis Geography 2: | Sedona, AZ 30 Mile |                      |
| Comparison Geography: | Sedona, AZ Place   | Audience Insight LLC |

### ***Age***

|                                    | Sedona, AZ 20 Mile | Sedona, AZ 30 Mile | Sedona, AZ Place |
|------------------------------------|--------------------|--------------------|------------------|
| <b>2001 EST. POPULATION BY AGE</b> | 62,728             | 133,129            | 11,140           |
| Age 0 - 4                          | 5.1%               | 5.9%               | 3.4%             |
| Age 5 - 9                          | 5.2%               | 5.8%               | 2.9%             |
| Age 10 - 14                        | 5.7%               | 6.1%               | 4.3%             |
| Age 15 - 17                        | 3.7%               | 4.0%               | 2.6%             |
| Age 18 - 20                        | 3.0%               | 5.0%               | 2.2%             |
| Age 21 - 24                        | 3.8%               | 7.5%               | 3.4%             |
| Age 25 - 34                        | 9.4%               | 12.8%              | 7.5%             |
| Age 35 - 44                        | 12.2%              | 12.8%              | 11.3%            |
| Age 45 - 49                        | 7.7%               | 7.5%               | 8.8%             |
| Age 50 - 54                        | 7.8%               | 7.1%               | 9.8%             |
| Age 55 - 59                        | 7.1%               | 5.9%               | 9.2%             |
| Age 60 - 64                        | 6.4%               | 4.8%               | 8.4%             |
| Age 65 - 74                        | 11.4%              | 7.7%               | 13.4%            |
| Age 75 - 84                        | 8.5%               | 5.3%               | 10.0%            |
| Age 85 and over                    | 2.9%               | 1.8%               | 3.1%             |
| Median Age                         | 46.13              | 37.18              | 51.92            |
| Average Age                        | 44.22              | 38.51              | 49.12            |

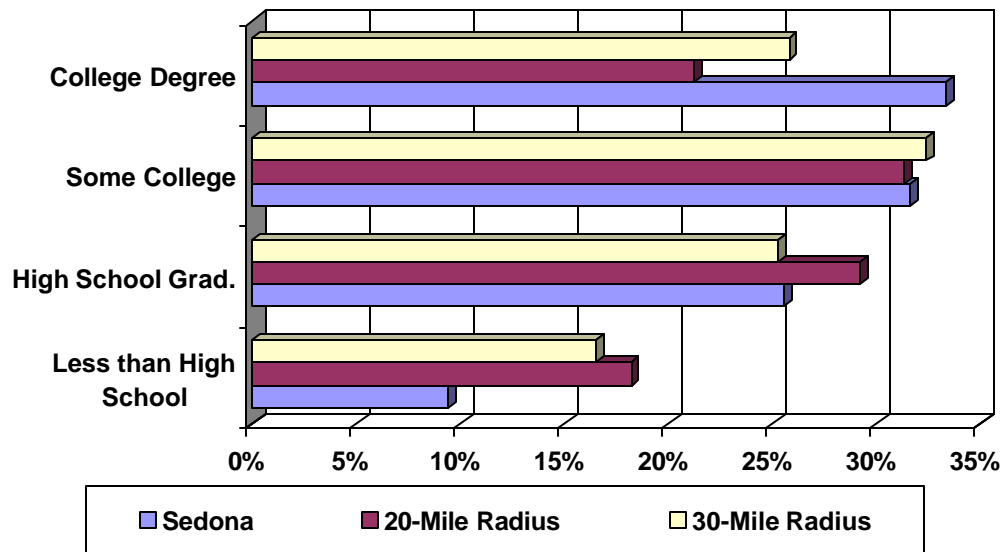


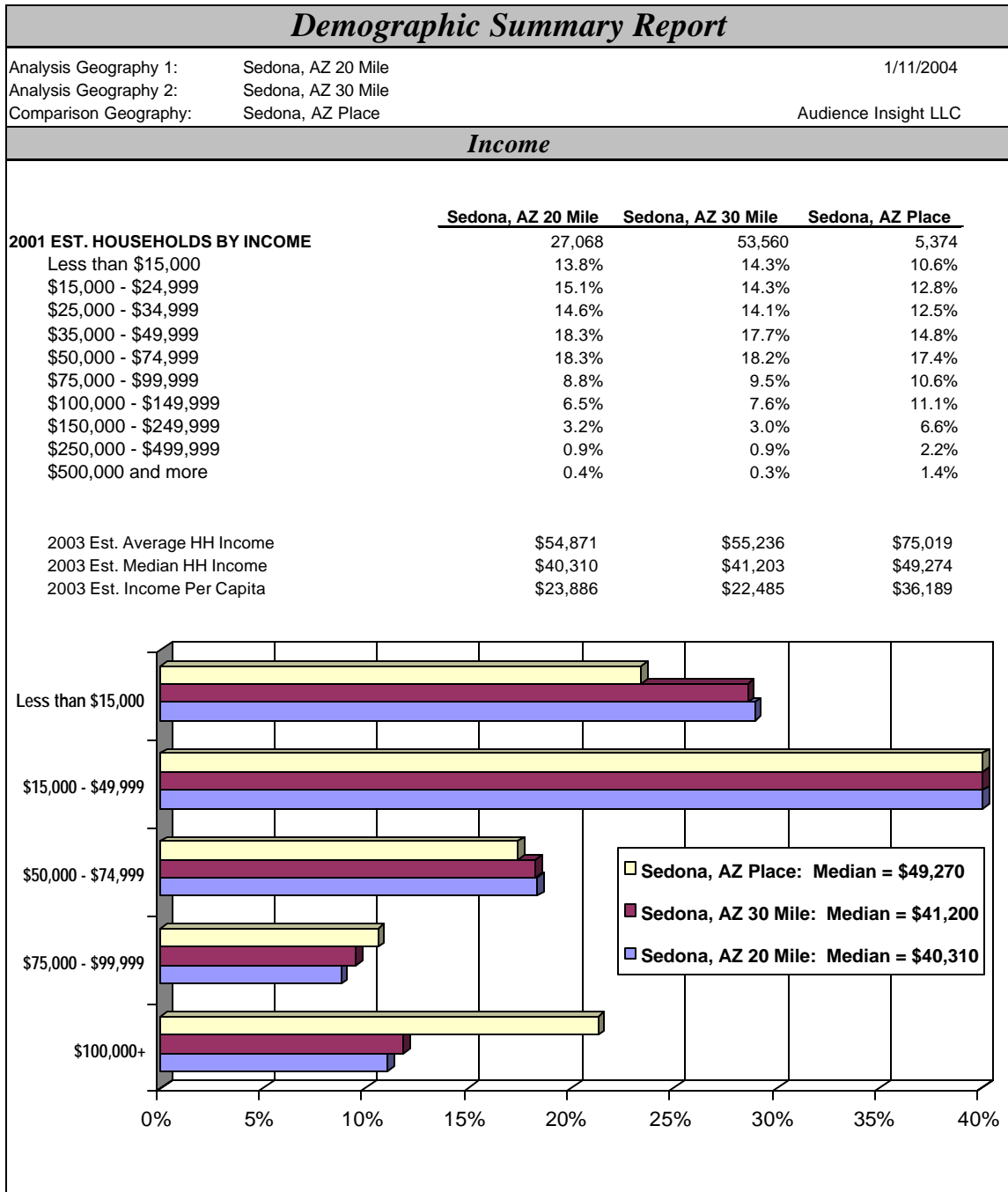
## ***Demographic Summary Report***

|                       |                |                      |
|-----------------------|----------------|----------------------|
| Analysis Geography 1: | Sedona         | 1/16/2004            |
| Analysis Geography 2: | 20-Mile Radius |                      |
| Comparison Geography: | 30-Mile Radius | Audience Insight LLC |

### ***Educational Attainment***

|   | Sedona | 20-Mile Radius | 30-Mile Radius |
|---|--------|----------------|----------------|
| <b>POPULATION ENROLLED IN SCHOOL</b>            | 1,019  | 7,814          | 30,733         |
| Public Pre- Primary                             | 3.2%   | 4.0%           | 3.2%           |
| Private Pre- Primary                            | 5.1%   | 2.1%           | 2.0%           |
| Public Elem/High                                | 65.9%  | 64.9%          | 43.8%          |
| Private Elem/High                               | 2.8%   | 4.7%           | 2.5%           |
| Enrolled In College                             | 22.9%  | 24.3%          | 48.6%          |
| <b>1990 POPULATION (25+) BY EDUCATION LEVEL</b> | 6,353  | 28,312         | 55,265         |
| Elementary (0-8)                                | 3.3%   | 6.3%           | 5.8%           |
| Some High School (9-11)                         | 6.2%   | 11.9%          | 10.7%          |
| High School Grad. (12)                          | 25.6%  | 29.2%          | 25.3%          |
| Some College (13-15) No Degree                  | 26.9%  | 26.2%          | 27.1%          |
| Associates Degree Only                          | 4.7%   | 5.1%           | 5.3%           |
| Bachelors Degree Only                           | 22.8%  | 14.2%          | 16.1%          |
| Graduate Degree                                 | 10.6%  | 7.0%           | 9.7%           |





## Demographic Summary Report

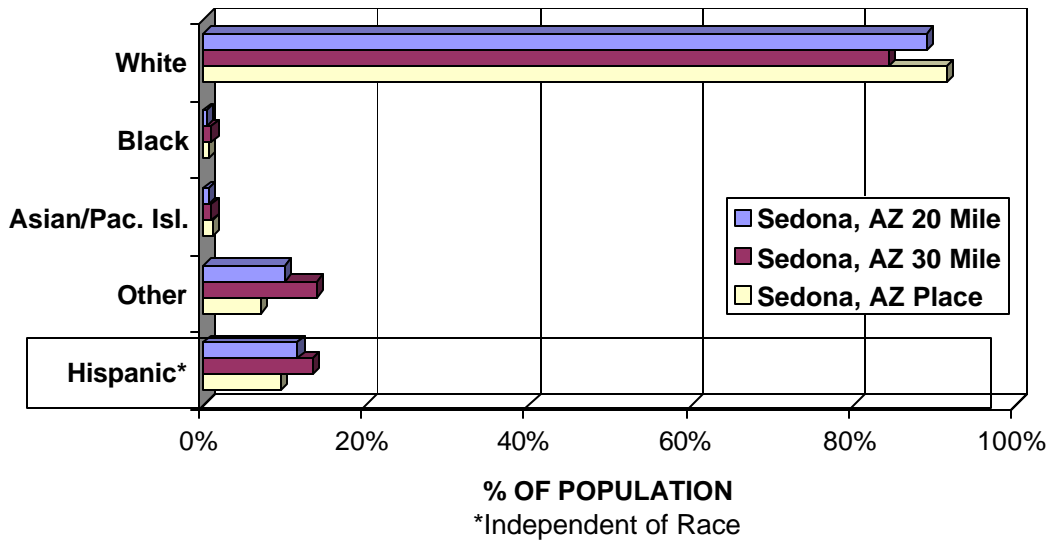
Analysis Geography 1: Sedona, AZ 20 Mile  
Analysis Geography 2: Sedona, AZ 30 Mile  
Comparison Geography: Sedona, AZ Place

1/11/2004

Audience Insight LLC

### Race

|  | Sedona, AZ 20 Mile | Sedona, AZ 30 Mile | Sedona, AZ Place |
|--|--------------------|--------------------|------------------|
| <b>2003 EST. POP. BY RACE &amp; HISP. ORIGIN</b> | 62,728             | 133,129            | 11,140           |
| White  | 89.0%              | 84.2%              | 91.4%            |
| Black  | 0.4%               | 1.0%               | 0.5%             |
| Asian & Pacific Islander                         | 0.6%               | 1.0%               | 1.1%             |
| Other Races                                      | 9.9%               | 13.9%              | 7.0%             |
| Hispanic Origin (Independent Of Race)            | 11.5%              | 13.3%              | 9.5%             |
| <b>2003 HISPANICS BY RACE</b>                    | 7,240              | 17,736             | 1,054            |
| White Alone                                      | 46.5%              | 50.3%              | 43.6%            |
| Black  | 0.1%               | 0.5%               | 0.3%             |
| Other  | 53.4%              | 49.2%              | 56.1%            |
| <b>HISPANIC POPULATION BY TYPE (2000)</b>        | 7,240              | 17,736             | 1,054            |
| Not Of Hispanic Origin                           | 88.5%              | 86.7%              | 90.5%            |
| Mexican  | 82.4%              | 80.1%              | 88.3%            |
| Puerto Rican                                     | 1.4%               | 1.4%               | 2.0%             |
| Cuban  | 0.5%               | 0.4%               | 1.0%             |
| Other Hispanic                                   | 15.8%              | 18.1%              | 8.6%             |



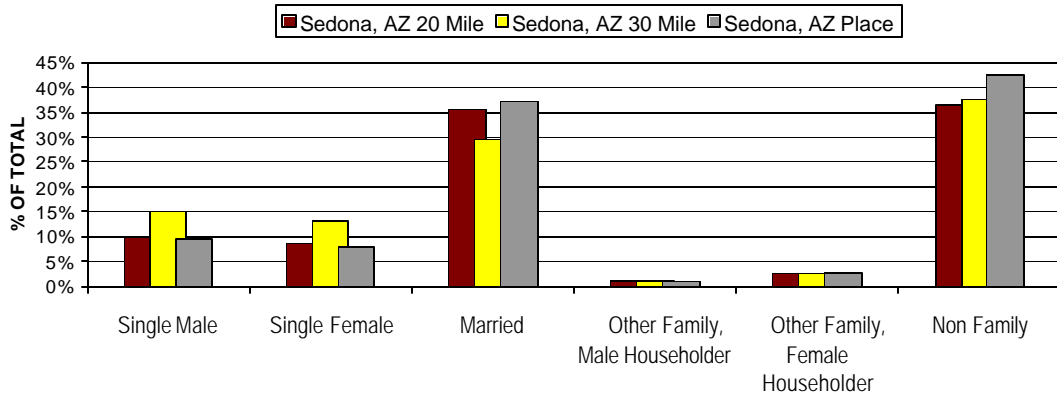
## **Demographic Summary Report**

|                       |                    |                      |
|-----------------------|--------------------|----------------------|
| Analysis Geography 1: | Sedona, AZ 20 Mile | 1/11/2004            |
| Analysis Geography 2: | Sedona, AZ 30 Mile |                      |
| Comparison Geography: | Sedona, AZ Place   | Audience Insight LLC |

### **Marital Status & Household Composition**

|   | Sedona, AZ 20 Mile | Sedona, AZ 30 Mile | Sedona, AZ Place |
|---|--------------------|--------------------|------------------|
| <b>MARITAL STATUS PERSONS 15+</b>             |                    |                    |                  |
| SINGLE MALE                                   | 52,642             | 109,417            | 9,959            |
|   | 10.1%              | 15.0%              | 9.5%             |
| SINGLE FEMALE                                 | 8.5%               | 13.3%              | 8.0%             |
| MARRIED                                       | 59.7%              | 54.2%              | 58.8%            |
| PREVIOUSLY MARRIED MALE                       | 7.6%               | 6.6%               | 7.8%             |
| PREVIOUSLY MARRIED FEMALE                     | 15.1%              | 12.1%              | 16.8%            |
| <b>HOUSEHOLDS WITH CHILDREN (2003)</b>        |                    |                    |                  |
| TOTAL HOUSEHOLDS                              | 27,068             | 53,560             | 5,374            |
| FAMILY HOUSEHOLDS                             | 17,191             | 33,444             | 3,087            |
| % FAMILY HOUSEHOLDS                           | 63.5%              | 62.4%              | 57.4%            |
| % NON-FAMILY HOUSEHOLDS                       | 36.5%              | 37.6%              | 42.6%            |
| <b>HOUSEHOLDS BY TYPE</b>                     |                    |                    |                  |
| <b>with 1 or more People Age 18 or under:</b> |                    |                    |                  |
| Married-Couple Family                         | 27,068             | 53,560             | 5,374            |
|   | 16.6%              | 19.6%              | 10.9%            |
| Other Family, Male Householder                | 2.3%               | 2.6%               | 1.9%             |
| Other Family, Female Householder              | 5.4%               | 6.8%               | 3.8%             |
| Nonfamily, Male Householder                   | 0.4%               | 0.4%               | 0.3%             |
| Nonfamily, Female Householder                 | 0.1%               | 0.1%               | 0.1%             |
| <b>with no People Age 18 or under:</b>        |                    |                    |                  |
| Married-Couple Family                         | 35.5%              | 29.5%              | 37.1%            |
| Other Family, Male Householder                | 1.1%               | 1.3%               | 1.0%             |
| Other Family, Female Householder              | 2.6%               | 2.6%               | 2.7%             |
| Nonfamily, Male Householder                   | 14.9%              | 17.1%              | 15.3%            |
| Nonfamily, Female Householder                 | 21.1%              | 20.0%              | 26.8%            |

#### **HOUSEHOLD COMPOSITION ANALYSIS**



| MicroVision Profile Report  |                        |             |      |                |      |                |      |             |      |             |
|-----------------------------|------------------------|-------------|------|----------------|------|----------------|------|-------------|------|-------------|
| Sedona vs. State of Arizona |                        |             |      |                |      |                |      |             |      | 1/15/2004   |
| Seg.<br>#                   | SEGMENT<br>NAME        | Sedona      |      | 20-Mile Radius |      | 30-Mile Radius |      | Arizona     |      | MV<br>Index |
|                             |                        | # of Hholds | %    | # of Hholds    | %    | # of Hholds    | %    | # of Hholds | %    |             |
| 1                           | Upper Crust            | -           | -    | -              | -    | 28             | 0.1  | 73,345      | 3.7  | 0           |
| 2                           | Lap Of Luxury          | -           | -    | -              | -    | 18             | 0.0  | 18,920      | 0.9  | 0           |
| 3                           | Established Wealth     | -           | -    | -              | -    | 1,263          | 2.5  | 32,815      | 1.6  | 0           |
| 4                           | Mid-Life Success       | 61          | 1.2  | 131            | 0.5  | 2,219          | 4.4  | 74,698      | 3.7  | 32          |
| 5                           | Prosperous Metro Mix   | -           | -    | -              | -    | 949            | 1.9  | 58,777      | 2.9  | 0           |
| 6                           | Good Family Life       | -           | -    | 640            | 2.4  | 895            | 1.8  | 8,242       | 0.4  | 0           |
| 7                           | Comfortable Times      | -           | -    | 2              | 0.0  | 186            | 0.4  | 12,120      | 0.6  | 0           |
| 8                           | Movers And Shakers     | -           | -    | 13             | 0.0  | 1,141          | 2.3  | 70,479      | 3.5  | 0           |
| 9                           | Building A Home Life   | -           | -    | -              | -    | 42             | 0.1  | 1,713       | 0.1  | 0           |
| 10                          | Home Sweet Home        | -           | -    | 33             | 0.1  | 2,584          | 5.1  | 144,644     | 7.2  | 0           |
| 11                          | Family Ties            | -           | -    | -              | -    | 896            | 1.8  | 101,492     | 5.1  | 0           |
| 12                          | A Good Step Forward    | -           | -    | -              | -    | -              | -    | 66,519      | 3.3  | 0           |
| 13                          | Successful Singles     | -           | -    | -              | -    | -              | -    | -           | -    | 0           |
| 14                          | Middle Years           | 492         | 9.5  | 871            | 3.3  | 980            | 1.9  | 12,466      | 0.6  | 1529        |
| 15                          | Great Beginnings       | -           | -    | 18             | 0.1  | 2,646          | 5.2  | 128,871     | 6.4  | 0           |
| 16                          | Country Home Families  | -           | -    | 843            | 3.2  | 1,161          | 2.3  | 34,066      | 1.7  | 0           |
| 17                          | Stars And Stripes      | -           | -    | -              | -    | 243            | 0.5  | 83,504      | 4.2  | 0           |
| 18                          | White Picket Fence     | -           | -    | 16             | 0.1  | 525            | 1.0  | 79,489      | 4.0  | 0           |
| 19                          | Young And Carefree     | 72          | 1.4  | 108            | 0.4  | 131            | 0.3  | 1,931       | 0.1  | 1445        |
| 20                          | Secure Adults          | 503         | 9.7  | 2,621          | 10.0 | 2,958          | 5.8  | 70,163      | 3.5  | 278         |
| 21                          | American Classics      | 55          | 1.1  | 357            | 1.4  | 435            | 0.9  | 19,018      | 0.9  | 112         |
| 22                          | Traditional Times      | -           | -    | 904            | 3.4  | 1,267          | 2.5  | 40,777      | 2.0  | 0           |
| 23                          | Settled In             | 1,229       | 23.7 | 5,700          | 21.7 | 5,914          | 11.7 | 81,898      | 4.1  | 581         |
| 24                          | City Ties              | -           | -    | -              | -    | -              | -    | 2,746       | 0.1  | 0           |
| 25                          | Bedrock America        | 52          | 1.0  | 1,243          | 4.7  | 2,677          | 5.3  | 78,738      | 3.9  | 26          |
| 26                          | The Mature Years       | -           | -    | 177            | 0.7  | 299            | 0.6  | 3,519       | 0.2  | 0           |
| 27                          | Middle Of The Road     | 17          | 0.3  | 162            | 0.6  | 240            | 0.5  | 7,338       | 0.4  | 90          |
| 28                          | Building A Family      | 99          | 1.9  | 972            | 3.7  | 1,951          | 3.9  | 50,668      | 2.5  | 76          |
| 29                          | Establishing Roots     | 30          | 0.6  | 477            | 1.8  | 901            | 1.8  | 16,166      | 0.8  | 72          |
| 30                          | Domestic Duos          | 894         | 17.3 | 2,355          | 9.0  | 2,447          | 4.8  | 95,416      | 4.8  | 363         |
| 31                          | Country Classics       | -           | -    | 327            | 1.2  | 407            | 0.8  | 10,757      | 0.5  | 0           |
| 32                          | Metro Singles          | -           | -    | 6              | 0.0  | 370            | 0.7  | 58,200      | 2.9  | 0           |
| 33                          | Living Off The Land    | -           | -    | 82             | 0.3  | 94             | 0.2  | 1,683       | 0.1  | 0           |
| 34                          | Books And New Recruits | -           | -    | 0              | 0.0  | 36             | 0.1  | 1,811       | 0.1  | 0           |
| 35                          | Buy American           | -           | -    | 736            | 2.8  | 1,471          | 2.9  | 35,672      | 1.8  | 0           |
| 36                          | Metro Mix              | -           | -    | -              | -    | -              | -    | 1,336       | 0.1  | 0           |
| 37                          | Urban Up And Comers    | -           | -    | -              | -    | -              | -    | 1,191       | 0.1  | 0           |
| 38                          | Rustic Homesteaders    | -           | -    | 2,326          | 8.9  | 2,666          | 5.3  | 62,639      | 3.1  | 0           |
| 39                          | On Their Own           | 1,642       | 31.7 | 3,305          | 12.6 | 3,431          | 6.8  | 78,684      | 3.9  | 808         |
| 40                          | Trying Metro Times     | -           | -    | 1,587          | 6.1  | 3,621          | 7.2  | 79,278      | 4.0  | 0           |
| 41                          | Close-Knit Families    | -           | -    | -              | -    | 466            | 0.9  | 117,580     | 5.9  | 0           |
| 42                          | Trying Rural Times     | -           | -    | 44             | 0.2  | 154            | 0.3  | 12,431      | 0.6  | 0           |
| 43                          | Manufacturing Usa      | -           | -    | 3              | 0.0  | 23             | 0.0  | 5,580       | 0.3  | 0           |
| 44                          | Hard Years             | -           | -    | 30             | 0.1  | 151            | 0.3  | 2,742       | 0.1  | 0           |
| 45                          | Struggling Metro Mix   | -           | -    | -              | -    | 156            | 0.3  | 18,907      | 0.9  | 0           |
| 46                          | Difficult Times        | -           | -    | -              | -    | 258            | 0.5  | 8,337       | 0.4  | 0           |
| 47                          | University Usa         | -           | -    | 1              | 0.0  | 2,101          | 4.1  | 7,511       | 0.4  | 0           |
| 48                          | Urban Singles          | -           | -    | 0              | 0.0  | 43             | 0.1  | 25,080      | 1.3  | 0           |
| 49                          | Anomalies              | 30          | 0.6  | 128            | 0.5  | 186            | 0.4  | 4,012       | 0.2  | 290         |
| 50                          | Unclassified           | -           | -    | -              | -    | -              | -    | 1,281       | 0.1  | 0           |
| TOTALS                      |                        | 5,176       | 100% | 26,218         | 100% | 50,630         | 100% | 2,005,250   | 100% |             |

## **Appendix B: Comparable Conference Centers**

This section looks at meeting facilities in comparable markets across the U.S. Facilities are divided into conference centers, convention centers, hotels and resorts, and civic centers and halls.

### **Conference Centers**

The following conference centers are profiled in this section. They include conference center from California, Colorado, Massachusetts, New Mexico, New York, South Carolina, and Wyoming. A detailed table follows the profiles.

#### ***Northwoods Resort & Conference Center – Big Bear Lake, CA***

Northwoods has 148 hotel rooms and over 9,000 SF of meeting space. Business is split 50 – 50 between leisure and group, and corporations and groups comprise 70% of events. The predominant use of space is for conferences (70%) followed by weddings and social events (30%). The Center holds 300 – 400 events per year, and the average length of an event is one day. Guests typically stay one to three days, and the average size of a room block is 50 rooms. The winter and summer are the busiest months. Business has changed with the economy, because concessions are made to attract and keep business. Items and services that guests once had to pay for are now free. Staff indicated the key was to be flexible in the concessions and still generate revenue. The property is eight years old, and events such as 9/11, the recent wildfires, and poor winters in 2001 and 2002. Have hurt business overall.

#### ***Telluride Conference Center – Telluride, CO***

This conference center does not its own hotel; guests stay at Pikes Resort across the street. The main ballroom is 6,000 SF, and the Center has three meeting rooms. Business is 30% leisure, 70% group. The predominant use of the space is primarily conferences, followed by concerts and then weddings. The Center hosts 40 – 50 events per year, and the average length of an event is between one and three days. The average number of guests per event is about 40; one or two larger events average 250 – 300 guests. The busiest season is from January through the first weekend in April. Staff indicated the mezzanine does not get used a lot at the Center. Few people go there to mingle. Staff also indicated if they wished they had smaller breakout rooms with joiners between them instead of separate breakout rooms. Because the Center has excellent internet and computer access, it attracted many dot-com business groups prior to 9/11. After 9/11, much of this business declined. There have also been fewer large groups, and people do not book as far out anymore. In the past, reservations were made 90 + days in advance; now they are made between 30 – 90 days in the past. One recent trend for the Center is additional advertising to book more weddings and concerts to make up for the decline in business groups.

#### ***Eastover Resort & Conference Center – Lenox, MA***

The Eastover has 140 rooms, and 4,000 SF of meeting space, including eight conference rooms. Sixty percent of their business is leisure, and the remaining 40% is group. The breakdown for the types of events is as follows: 60% social, 30% corporate, 2.5% government, and 2.5% associations. The predominant use of space is for leisure, recreation, and social events, followed

by conferences and weddings. The number of guests per event can range from 10 – 600, and the average length of an event is two nights. The average size of a room block is 40 rooms. The summer is the busiest season for recreation events, and the spring and fall are the busiest seasons for corporate events. Staff indicated their ropes course is underutilized, and they do not wish for any additional amenities. Business has increased for Eastover since 9/11 due to the close driving markets of Boston and New York City.

***Columbine Inn & Conference Center – Taos, NM***

The Center has 20 hotel rooms and 2,184 SF of meeting space, which can be divided into smaller rooms. About 80% of their business is leisure and 20% is group. The predominant use of space is weddings. About 10 events are held per year, and the average number of guests at an event is about 40. All 20 rooms are usually reserved in a room block, and the average length of an event is two days. The busiest season is December through March. Staff indicated they wished they had a kitchen, because food and beverages have to be catered in. The current owners bought the property in 2000, and 2001 was a bad winter, so business has not been good. They hope the situation improves, since they are a relatively new organization.

***Sagebrush Inn & Conference Center – Taos, NM***

The Sagebrush Conference Center has 100 rooms and 18,000 SF of meeting space, including five meeting rooms. About 75% of business is group and 25% is leisure. The predominant use of space is for conferences. The Center hosts 16 – 25 events per year, and the average number of guests per event is 30 – 250. The average size of a room block is 10 – 100, and the average length of an event is two to three days. The busiest season is May through October. Staff indicated they wished they had more conference space and different size meeting rooms. Business declined after 9/11 but has since picked up. Staff also indicated the weather plays a role in business at the Center.

***Gideon Putnam Hotel and Conference Center – Saratoga, NY***

The Gideon Putnam is situated on state park land in Upstate New York. It has 120 overnight rooms, and overflow is directed to the Hilton Gardens or the Holiday Inn. The Grand Ballroom is 5,832 SF, and the Gideon has four additional meeting rooms. About 60% of their business is group or corporate, and 40% is social. The predominant use of space is for conferences. The number of guests per event can range from 4 – 400. The average room block is 10 for social groups and 60 for corporate functions. The average length of an event is 5 hours for social and one to two days for corporate functions. The busiest months are July and August and December. Staff indicated they wished they had their own pool; guests use the pool that is owned by the state park on adjacent land. Business has changed with the economy and 9/11. Lots of fallout and cancellations occurred after 9/11, but they did end the year up in 2001. Staff also indicated overall that 2001 and 2002 have been the worst years out of the past 10 –15 years.

***Prime Hotel & Conference Center – Saratoga, NY***

This hotel and conference center is integrated with the Saratoga Springs City Center. The City Center is located inside the hotel. The hotel and conference center has 20,000 SF of meeting space, and the City Center has another 20,000 SF, for a total of 40,000 SF of meeting space. Prime categorizes their business as 65% group, which stay longer, and 35% “transient,” which stay for shorter periods of time. Corporate transient is the dominant sub-category. The predominant use of space is for conferences and conventions, which is their primary market.

Events are held 350 – 355 days of the year. The average room block is 220 – 240, but they will do as few as five. The average length of an event is two nights and three days. The busiest season is June through mid-November. Staff indicated their sauna does not get much use, but they would like a whirlpool, more guest rooms, and more function space. Business has increased for the Prime since 9/11 due to its close driving distance to Montreal, New York City, and Boston. More people are attending regional conferences instead of national conferences due to budget cutbacks and the price of airfare.

***Town & Country Inn & Conference Center – Charleston, SC***

The Inn has 124 rooms and 6,000 SF of space. Business is split 50 – 50 between leisure and group. Conferences are the predominant user of space and are most frequent Monday through Thursday. Social events are held primarily on Friday through Sunday. About 60 – 120 events are held per year, and the average length of each event is nine hours. The average number of guests at each event is 50, and the average size of the room block is 20 rooms. Spring, between March 1st and May 31st, is the busiest season. Staff indicated warm weather is one factor they wish they had more often; business is better when the weather is nice. Business has changed over the course of the past few years and has improved for the Town & Country Inn as more events are held in the Charleston suburbs rather than downtown Charleston. Staff also indicated they host most business events now that social events than in the past.

***Estes Park Conference Center – Estes Park, WY***

The Estes Park Conference Center is a public-private venture. It is a city-owned facility attached to the Holiday Inn. The Center itself does not have any hotel rooms, but the Holiday Inn has 149 rooms. The Center has an 8,000 SF grand ballroom, and the Holiday Inn has another 4,800 SF of meeting space. Ninety percent of the Center's business is group or corporate, and the predominant use of space is for conferences. The average number of event days is 150, and the average length of an event is three days. The average number of guests per event is about 275, and the average room block is 90 rooms. Fall and spring are the busiest seasons for corporate groups, while the summer is the busiest season for community and social events. Staff indicated they do not use their courtyard outside that much and wish they had more parking, more meeting space, and a bigger ballroom. Since 9/11, fewer corporate and government groups have booked events, and meeting groups in general are smaller.

***Snow King Conference Center - Jackson Hole, WY***

The Snow King Conference Center has 204 hotel rooms and 40,000 SF of meeting space, which includes meeting rooms. About 80% of their business is group, and the remaining 20% is leisure. The majority of events are associations. The Center has few corporate and social events. In the winter, the Center hosts many medical conferences for continuing education requirements. The predominant use of the space (75% - 80%) is used for conferences. The average event is 2 days-3 nights, and the average number of guests per event is 120. The average size of the room block is 100 and over. July and August are the busiest months. Staff indicated they wish they more meeting rooms, especially classrooms to seat 50 – 75 people. Group business and family vacations decreased after 9/11 and with the soft economy, but group business has since increased. This is attributed to the internet, where reservations and travel packages can be bought and confirmed.

**Market Comparables - Conference Centers**

|                             |                                      |                             |                                     |                                   |                                   |   |                                 |  |                              |   |
|-----------------------------|--------------------------------------|-----------------------------|-------------------------------------|-----------------------------------|-----------------------------------|---|---------------------------------|--|------------------------------|---|
| <b>Facility</b>             | Northwood Resort & Conference Center | Telluride Conference Center | Eastover Resort & Conference Center | Columbine Inn & Conference Center | Sagebrush Inn & Conference Center | Gideon Putnam Hotel & Conference Center | Prime Hotel & Conference Center | Town & Country Inn & Conference Center | Estes Park Conference Center | Snow King Resort Hotel, Condominium & Conference Center |
| <b>City</b>                 | Big Bear Lake                        | Telluride                   | Lenox                               | Taos Ski Valley                   | Taos                              | Saratoga Springs                        | Saratoga Springs                | Charleston                             | Estes Park                   | Jackson Hole  |
| <b>State</b>                | CA                                   | CO                          | MA                                  | NM                                | NM                                | NY                                      | NY                              | SC                                     | CO                           | WY  |
| <b>Chain</b>                | Indep./Small Chain                   | Indep./Small Chain          | Indep./Small Chain                  | Indep./Small Chain                | Indep./Small Chain                | Historic Hotels of America              | Indep./Small Chain              | Indep./Small Chain                     | Indep./Small Chain           | Indep./Small Chain                                      |
| <b>Facility Type</b>        | Hotel                                | Conference Center           | Hotel                               | Conference Center                 | Conference Center                 | Hotel                                   | Hotel                           | Hotel                                  | Conference Center            | Hotel   |
| <b>Location</b>             | Resort                               | Resort                      | Resort                              |                                   | Mountain                          | Resort                                  | Downtown                        | Suburban                               | Downtown                     | Resort  |
| <b>Guest Rooms</b>          | 141                                  | N/A                         | 165                                 | 44                                | 100                               | 120                                     | 240                             | 124                                    | 150                          | 295   |
| <b>Largest Meeting Room</b> | 4,000 Sq. Ft.                        | 5,986 Sq. Ft.               | 3,172 Sq. Ft.                       | N/A                               | 9,000 Sq. Ft.                     | 5,832 Sq. Ft.                           | 20,460 Sq. Ft.                  | 3,000 Sq. Ft.                          | 8,000 Sq. Ft.                | 18,900 Sq. Ft.  |
| <b>Peak Rates</b>           | \$184 - \$204                        | -                           | \$94 - \$132                        | -                                 | \$85 - \$165                      | \$120 - \$350                           | \$349 - \$430                   | \$69 - \$129                           | \$149 - \$179                | \$210 - \$220   |
| <b>Off Peak Rates</b>       | \$79 - \$79                          | -                           | \$94 - \$132                        | -                                 | \$65 - \$105                      | \$120 - \$299                           | \$99 - \$179                    | \$69 - \$99                            | \$59 - \$59                  | \$110 - \$120   |

Source: [www.mpoint.com](http://www.mpoint.com)

### **Conference/Convention Centers**

Two other large stand alone facilities are profiled below.

#### **Market Comparables - Convention Centers**

| <b>Facility</b>                | <b>Big Bear Lake Convention Center</b> | <b>Taos Civic Plaza &amp; Convention Center</b> |
|--------------------------------|--|---|
| <b>City</b>                    | Big Bear Lake                          | Taos  |
| <b>State</b>                   | CA                                     | NM  |
| <b>Chain</b>                   | City Owned                             | Indep./Small Chain                              |
| <b>Facility Type</b>           | Convention Center                      | Convention Center                               |
| <b>Location</b>                | Mountain                               | Downtown  |
| <b>Guest Rooms</b>             | 500                                    | 400   |
| <b>Largest Meeting Rm</b>      | 11,326 Sq. Ft.                         | 7,536 Sq. Ft.                                   |
| <b>Dedicated Exhibit Space</b> | 11,000 Sq. Ft.                         | 13,588 Sq. Ft.                                  |

#### ***Big Bear Lake Convention Center – Big Bear Lake, CA***

This conference center does not have hotel rooms. It has a total of 11,300 SF in one room, which can be broken down into three rooms. About 80% of their business is leisure and club activities. Broken down further, 75% of events are social, 20% are associations, 3% are corporate, and 2% are government. The predominant use of space is for in-house activities such as craft shows and Oktoberfest. The Center hosts about 35 events per year, and the average number of guests is around 100. Oktoberfest draws a crowd of up to 20,000. The average length of an event is three days. The busiest season is the summer, and the biggest events, such as Oktoberfest, are held in September and October. Staff indicated they wished they had more meeting space. Business has changed since 9/11 and the economic downturn, because people are not spending money on conferences and events as they had in the past and are not flying. The Center is seeing more business from Los Angeles due to the short driving time.

#### ***Taos Civic Plaza & Convention Center - Taos, NM***

The Civic Plaza is run by the Town of Taos and has no hotel. Guests are referred to local hotels. The Civic Plaza has a total of 17,800 SF of meeting space, and corporations account for 2/3 of its business. Leisure accounts for the remaining 1/3. The predominant use of space is for conferences. The average number of guests per event is 400, and the average length of an event

is 2.5 to three days. Mid-winter (January and February) and mid-summer (July) are the busiest seasons. Business has been drastically down since 9/11 and the economy.

## **Hotels & Resorts**

The following hotels and resorts discussed in this section are listed in the table below.

### **Market Comparables - Hotels & Resorts**

| <b>Facility</b>           | The Village at Breckenridge Hotel & Resort | Hyatt Regency Savannah | The Bishop's Lodge Resort & Spa | Eldorado Hotel Santa Fe | Estes Park Center/YMCA of the Rockies | Snow Mountain Ranch/YMCA of the Rockies | The Stanley        |
|---------------------------|--|------------------------|---------------------------------|-------------------------|---------------------------------------|---|--------------------|
| <b>City</b>               | Breckenridge                               | Savannah               | Santa Fe                        | Santa Fe                | Estes Park                            | Estes Park                              | Estes Park         |
| <b>State</b>              | CO   | GA                     | NM                              | NM                      | CO                                    | CO                                      | CO                 |
| <b>Chain</b>              | Indep./Small Chain                         | Hyatt Hotels           | Historic Hotels of America      | Indep./Small Chain      | Indep./Small Chain                    | Indep./Small Chain                      | Indep./Small Chain |
| <b>Facility Type</b>      | Hotel                                      | Hotel                  | Hotel                           | Hotel                   | Conference Center                     | Conference Center                       | Hotel              |
| <b>Location</b>           | Mountain                                   | Downtown               | Resort                          | Resort                  | Mountain                              |   | Resort             |
| <b>Guest Rooms</b>        | 267  | 347                    | 111                             | 219                     | 475                                   | 210                                     | 138                |
| <b>Largest Meeting Rm</b> | 4,673 Sq. Ft.                              | 11,000 Sq. Ft.         | 3,200 Sq. Ft.                   | 4,320 Sq. Ft.           | 22,000 Sq. Ft.                        | N/A                                     | 5,200 Sq. Ft.      |
| <b>Peak Rates</b>         | \$85 - \$290                               | \$140 - \$300          | \$189 - \$329                   | \$239 - \$299           | \$40 - \$125                          | -                                       | \$189 - \$309      |
| <b>Off Peak Rates</b>     | \$85 - \$290                               | \$140 - \$175          | \$99 - \$189                    | \$139 - \$199           | \$32 - \$96                           | -                                       | \$149 - \$269      |

**Source:** [www.mpoint.com](http://www.mpoint.com)

### ***The Village at Breckenridge Hotel & Resort – Breckenridge, CO***

The Village Hotel & Resort has 270 hotel rooms and 25,000 SF and four meetings rooms. Business is split 50 – 50 between leisure and group. Broken down further, events are 50% ski-groups, 25% corporate, and 25% government meetings. The average number of events held per month is 50, and the average length of an event is five days. The average number of guests per event is 25 – 500, and the average size of a room block is 50. Winter is the busiest season. Staff

indicated they wished their meeting space had higher ceilings. Business has also decreased, because people are not traveling out of the area to Breckenridge. As a result, the Village is serving many more different groups than before, resulting in a larger mix of business.

***Hyatt Regency Savannah – Savannah, GA***

The Hyatt Regency in Savannah has 347 hotel rooms and 28,000 SF of meeting space and 19 meeting rooms. Business is split 50 – 50 between leisure and group. The predominant use of space is used for conventions. The average length of an event is 2.5 days, and the average size of the room block is 200 rooms. Spring and fall are the busiest seasons. Business has changed with the soft economy, because groups are more conservative in signing contracts, and corporations have cut back on holding events. The government sector has increased in the number of events they host.

***The Bishop's Lodge Resort & Spa – Santa Fe, NM***

The Resort has 110 rooms and 8,000 SF of space. Business is split 50 – 50 between leisure and group. The predominant use of space is for conferences. The Resort hosts between 10 – 45 events per month, and the average length of an event is 3.5 – four days. The average room block is 40 – 45 rooms. The busiest season is May through October. Staff indicated they wished they had more hotel rooms. Business has decreased since 9/11 and due to the soft economy, as room rates and occupancy rates are down.

***The Eldorado Hotel – Santa Fe, NM***

The hotel has 219 rooms and 25,000 – 30,000 SF of meeting space. Group and corporations account for 75% - 80% of the hotel's business, and the predominant use of space is for conferences. The longer events range from four to five days, and the shorter events are two to three days. Summer is the busiest season.

***Windmill Inn – Ashland, OR***

The Windmill Inn has 230 hotel rooms and 12,000 SF of meeting space. Leisure and group business is split 50 – 50, and space usage is evenly split between conferences, meetings, and social events. The busiest season is June through September because of the theater festival. September and October are the busiest months for conferences. Staff indicated the tennis courts do not get used much, and they wished they had an indoor pool. Business has declined because of the economy, and conferences are down.

***Estes Park Center / YMCA – Estes Park, WY***

This center has 425 lodge rooms and 243 individual cabins. The largest meeting room is 22,000 SF, and the Center has 40 meeting rooms. The majority of business (95%) is leisure and includes social, weddings, and religious functions. The predominant use of space is for wedding receptions and socials. The Center has 2,000 – 2,500 events per year. The average length of each event is three to four days, and the average number of guests per event is 50 - 100. The average size of the room block is 12 – 33. The busiest season for the Estes Park Center is May through October. For the Snow Mountain Ranch, which is also part of the Center, it is winter (Christmas) and spring break. Staff wishes they had more multi-purpose meeting space, especially at Snow Mountain Lodge, because the meeting space is always used. Current trends for this property include fewer family reunions and more last minute bookings. Staff sees last minute bookings as one trend that will continue in the future.

***The Stanley - Estes Park, WY***

The Stanley Hotel has 138 rooms and a total of 16,000 SF of meeting space. It also has nine meeting rooms. About 60% of their business is leisure and 40% is group. The predominant use of space is split 50-50 between conferences and weddings. The average length of an event is between two and three days, and the average number of guests is 20 – 50. The average room block is 10 + rooms. The busiest season is May through October. Staff indicated they wished they had more storage. Since 9/11 and the soft economy, not as many groups book events and groups are smaller.

## Appendix C: Comparable Performing Arts Facilities

### Breckenridge, Colorado

#### 1. Setting

An historic mining town located in Summit County, Breckenridge's permanent population of 2,800 swells to 33,600 during peak seasons. Summit County's permanent population of 24,500 expands to 138,300 during peak ski months. Marketing and tourism tend to focus county-wide. The closest airport is in Denver, 86 miles away.



#### 2. Components of Research

Current venues are the **Breckenridge Theatre** and the **Riverwalk Event Center**. The Town is creating a Cultural Arts District, an arts campus. Purchase of the theater property was the first four buildings. A small, historic house adjacent to the theater that includes two historic barns and a public parking lot is being developed as a joint venture with its nonprofit owner. One of the barns is scheduled to open next summer as arts studios; the second barn, an old livery stable, requires more work and may be used as for metalwork, in keeping with the building's history. The effort is part of a Master Plan prepared for the Town by a consultant from Aspen.

#### Theaters:

**Breckenridge Theatre** – The black box facility is considered a performing arts theater and multi-functional venue. The structure, an old “Butler building”, housed a saloon on the ground floor and offices upstairs. Purchased by the Town in 2002, the 3,000-sf structure was gutted and renovated for theater use at a total cost of about \$300,000. Donations and in-kind services included: architect's fees, some materials, site work, sidewalk, connecting to the water supply, relocating the sewer line, etc. The City's contribution was \$100,000. The Town of Breckenridge owns the facility and oversees building management. Backstage Theatre manages facility operations in exchange for rent-free use, though the Town's Events Coordinator handles master scheduling. It is a raked house with movable seating. The theater lobby serves as an art gallery. Currently a small shed (Breckenridge Theatre Annex) is being added behind the theater to provide two dressing rooms and a small workshop.

#### Amphitheaters and Outdoor Venues:

**Riverwalk Event Center** – The Center is an amphitheater covered by a tent during its main season (Memorial Day weekend through September). Radiant heat allows off-season use, which only happens rarely. The amphitheater was constructed in 1992-3 as part of the Blue River Restoration project. Construction cost approximately \$2M; site work (including a 200-space parking lot and some river restoration) was sizable, about \$3M. The Center features tiered cement rows topped with removable seating for 800 and a large

stage. When the tent's back flap is opened to the lawn area, total seating capacity reaches 1,500 to 2,000. The Town's Events Coordinator handles master schedules for the Center.

**Convention Facilities:** Conference/ meeting room facilities range in size from intimate board rooms to expansive meeting rooms (the largest is 7,200 sf) in a wide range of facilities, for a total of over 82,000 sf of meeting rooms. Almost all of the facilities are associated with a resort or hotel chain.

1. **Beaver Run Resort** – 35,000 sf total. It has the largest meeting rooms – Colorado Ballroom (7,200 sf) and the Breckenridge Ballroom (5,400 sf).
2. **Great Divide Lodge** – 10,000 sf
3. **The Lodge & Spa** – several meeting rooms, the largest is 2,000 sf.
4. **Main Street Station** – and executive board room, a 2,160-sf meeting room, and a meeting room (capacity 24.)
5. **Mountain Thunder Lodge** – 3,000 sf of meeting space with adjoining patio
6. **ResortQuest Breckenridge** – corporate meeting rooms
7. **Village at Breckenridge Resort** – 30,000 sf of meeting space, including 2 executive board rooms and several meeting rooms with fireplaces.
8. **Town-owned facilities** – Riverwalk Center (8,000 sf), Breckenridge Theatre (1,200 sf), Carter Park Pavilion (1,000 sf, capacity 75 people), the Stephen C. West Ice Arena, The Breckenridge Recreation Center, and the Breckenridge Golf & Nordic Center (2 meeting rooms, max capacity of largest is 48 people).

## Tourism

It is estimated that two million people visit annually, including second-home owners not strictly “locals” or “visitors” (referred to as “guests.”) The Breckenridge Resort Chamber, a full-service marketing group, gives these visitor statistics, which may not be indicative of the whole town:

| Parameter               | International | Out-of-State | In-State, Overnight |
|-------------------------|---------------|--------------|---------------------|
| Average Age             | 34.4          | 36.9         | 34.5                |
| Household Income        | \$108,000     | \$108,000    | \$84,000            |
| Average Stay (Nights)   | 7.9           | 5.3          | 4.0                 |
| No. of Members in Group | 3.5           | 3.6          | 3.4                 |

Riverwalk Event Center visitors are thought to be 35% local, 65% “guests.”

## Competition (see spreadsheet attached)

- ✓ Vilar Center for the Arts
- ✓ Village – Ten Mile, Forest
- ✓ Beaver Run
- ✓ Great Divide
- ✓ Lincoln Center – Canyon West, Mini-Theater, Performance Hall
- ✓ Paramount (Denver)
- ✓ Wheeler Opera House
- ✓ Boulder Theatre
- ✓ Gerald. R Ford Amphitheater
- ✓ Fillmore (Denver)
- ✓ Aspen Music Festival

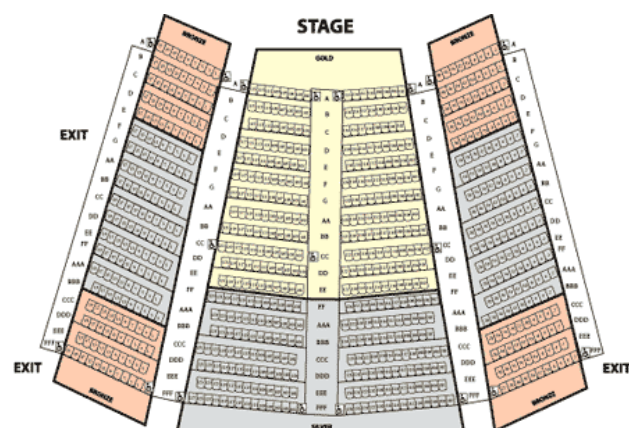
## Breckenridge, Colorado

| General Information   |  |   |
|---|--|---|
| Organization Name   | <b>Breckenridge Theatre</b>  | <b>Riverwalk Event Center</b>                                   |
| Address   | 121 So. Ridge St, Breckenridge 80424   | 150 W. Adams St Breckenridge 80424                              |
| Contacts/ Position  | Kim DiLallo, Events & Communications Coordinator   |   |
| Email   | kimd@ci.breckenridge.co.us   |   |
| Phone/ Fax/ Website   | 970-453-3187, <a href="http://www.townofbreckenridge.com">www.townofbreckenridge.com</a>                     |   |
| Category (circle one)   | <input checked="" type="checkbox"/> municipal, other gov't _____ <input type="checkbox"/> nonprofit, private |   |
| Facility Ownership  | Town of Breckenridge   | Town of Breckenridge  |
| Facility Management   | Town (bldg), Backstage Theatre (ops)   | Town of Breckenridge  |
| Description (4-wall rental, present'g, city partnership, etc.)  | Mixed use – rent, present, produce   | Rent, present, produce  |
| Conference Center connection?   | See listing below.   |   |
| Governance Description (board type, members, etc)   | Backstage: 501(c)3, reports to Board of Directors; Town staff reports to Asst. Town Manager.                 | Staff reports to Asst. Town Manager who reports to Town Manager |
| Attendance  |  |   |
| Annual Total (year)   |  |   |
| Come From?  |  |   |
| Other Demographics  |  |   |
| Facility Description  |  |   |
| Year Built/ Updates   | <b>Breckenridge Theatre</b> : 2002   | <b>Riverwalk Event Center</b> : 1993                            |
| Cost when built   | \$300,000 bldg. renova., minimal site  | \$2M Center, \$5M includ'g. site work                           |
| Does construction cost include: Site ____ Parking ____ Landscape _____ Architect & other fees____ Owners costs ____ |  |   |
| Total square feet   | 3,000 (1,200 in auditorium)  | 8,000   |
| Site size   | NA   | Approx. 2 acres   |
| Parking   | free lot for 14 cars + street parking  | 200 cars  |
| Venue Name  | <b>Venue 1</b><br><b>Breckenridge Theatre</b>  | <b>Venue 2</b><br><b>Riverwalk Event Center</b>                 |
| Seating Capacity  | 100  | 800 (covered), up to 2,000 w/ lawn                              |
| Total Use Days/ Year  |  | 90 to 95% (approx. 100-day season)                              |
| Users: % Resident Co  | 40%  | NA  |
| % Commercial Rental   | 10%  | 10%   |
| %Community Rental   | 50%  | 40%   |
| % Presenting Events   | (see resident co.)   | 40% BMI (Breckenridge Music Inst.) & NRO (National Rep Orch)    |
| % Other   |  | 10%   |

|   |   |   |
|---|---|---|
| <b>Rental Rate Range</b><br>(weekday-weekend)<br>per performance: | \$250 - \$500/night -competition from<br>free venues (churches, etc) creates<br>pricing challenge | \$250-\$500 (10 hrs) performances<br>\$250-\$1,100 – conf, receptn, wedding |
|---|---|---|

| <b>Staffing</b>        |  |   |
|------------------------|--|---|
| Permanent (FT/ PT)     | 1 PT Town employee + Backstage   | 1 PT Town, Seasonal: 3 FT, 2PT Box Office, 2 FT Production (mgr & ass't)  |
| Contract               |  |   |
| Volunteer              |  |   |
| <b>Finances:</b>       | <b>Breckenridge Theatre:</b>   | <b>Riverwalk Event Center:</b>  |
| <b>REVENUE</b>         | \$__   | \$105,000   |
| Earned                 | \$__   | 100%  |
| City/ Govt Subsidy     | \$__   |   |
| Corp. Sponsors         | \$__   |   |
| Individual Gifts       | \$__   |   |
| Grants                 | \$__   |   |
| Endowments             | \$__   |   |
| Other                  | \$__   |   |
| Explanation            |  | Earned: 28% rentals (Center & parking lot), 19% concessions (town charges contracted concessionaire 20% on liquor & food revenue), 30% ticket surcharge, 21% town events, 2% retail commission. |
| Source of Govt Subsidy | special tax, hotel/motel or transient occup. tax, genl fund, other                       |   |
| Subsidy Explanation:   |  | \$2/ticket surcharge on all tickets sold.   |
| <b>Total Expense</b>   | <b>Breckenridge Theatre: \$__</b>  | <b>Riverwalk Event Center: \$434,000</b>  |
| %Personnel             | __%  | 47%   |
| %Programs              | __%  | 43% (service charges included)  |
| %Marketing             | __%  | (included in programs, above)   |
| %Facil. (maint.)       | __%  | 0% (Town pays)  |
| %Utilities             | __%  | 7% (gas, phone, computers, credit cards, sound system rental, etc.) Town pays electric (not included here)  |
| Other                  | __%  | 4% (3% for mat'ls, supplies, 1% capital outlay)   |
| Comments               | Generous town and resort company subsidies to support arts & leisure activities in town. |   |

## Riverwalk Event Center



## Beaver Creek Resort, Colorado

### 3. Setting

An upscale community in the Town of Avon (Eagle County), Beaver is a year-round destination resort at the center of a 30-mile chain of communities stretching from East-Vail to Eagle. The Vail/Eagle County Airport (EGE) offers direct flights during peak (ski) season. It is located 25 miles from Beaver Creek. The next nearest airport is Denver (2 hours away.)



### 4. Components of Research

#### Theaters:

**Vilar Center for the Arts** – Located beneath the Black Family Ice Rink on Beaver Creek Plaza, the 33,000-sf Center includes a 530-seat theater, two 2,200-sf lobbies, and a 2,000-sf gallery (May Gallery Patrons Lounge.) The new facility opened in 1998 and cost \$20M (total construction & fees.) It is managed by the Vail Valley Foundation (VVF). Beaver Creek Resort Co. (the resort's municipality) contributes 38% of the Center's revenue. Vilar Center is part of a larger development that includes ski condos, a transportation hub, skating rink, restaurant and retail shops.

#### Amphitheaters and Outdoor Venues:

**Gerald R. Ford Amphitheater (Vilar Pavilion)** – Remodeled in July 2001. Private donations accounted for over 90% of the \$10M cost. Most of the funds came from board members, people in the community (Alberto Vilar, part-time resident, contributed \$3.5M), and the Town of Vail. The VVF has a long-term lease on the approximately 2-acre site located in Ford Park and owned by the Town of Vail. The VVF owns the building and all improvements on the property.

The stage and primary seating area (1,263 seats) are covered. Capacity is 2,500, 1,263 covered seats and lawn seating for 1,250. The venue is heavily utilized during its 3-month season (June through August), predominantly by its three “anchors” – Bravo! Vail Valley Music Festival, Vail International Dance Festival, and the Budweiser Hot Summer Nights (free summer concerts.)

The venue always runs a deficit (between \$50,000 and \$100,000) largely because of its mission to make free and low-cost events available to local groups, such as the library. Many events are free or charge \$10 or less per ticket. Bravo! (the GRFA's largest user) is not charged rent.

**Convention Facilities:** conference/ meeting room facilities can accommodate from 30 to 1,400 in a wide range of facilities, for a total of over 33,000 sf of meeting rooms. Almost all of the facilities are associated with a resort or hotel chain.

9. **East West Resorts** – 500 sf
10. **Beaver Creek Lodge** – 4,728 sf in 4 rooms, plus a board room
11. **The Charter at Beaver Creek** – 6,383 sf total for 6 rooms

**12. Park Hyatt Beaver Creek Resort & Spa** – 14,615 sf in three halls, plus 3 board rooms.  
Its Sawatch Hall is the largest meeting space in the area (10,275 sf).

**13. Vail-Beaver Creek Resort Properties, Inc.** – 7,135 sf in the following complexes:

- |   |                                  |
|---|----------------------------------|
| ✓ <u>The Pines Lodge</u> – 2,576 sf         | ✓ <u>Oxford Court</u> – 1,053 sf |
| ✓ <u>The Inn at Beaver Creek</u> – 1,666 sf | ✓ <u>SaddleRidge</u> – 724 sf    |
| ✓ <u>Elkhorn Lodge</u> – 616 sf             | ✓ <u>Borders Lodge</u> – 500 sf  |

**14. Vilar Center for the Arts** – (Auditorium, Entrance Lobby, Donor's Lobby, May Gallery Patron's Lounge)

## **Tourism**

Economic impact figures for (year 2000) show travel spending in Eagle County of over \$670M with 9,400 people employed in tourism-related jobs. (Vail is included in the Beaver Creek data.) Housing is divided roughly 50/50 in terms of owner-occupied/rental units. Length of stay is 7 nights during peak winter months (the minimum required by most area resorts) and 3 to 4 nights in summer.

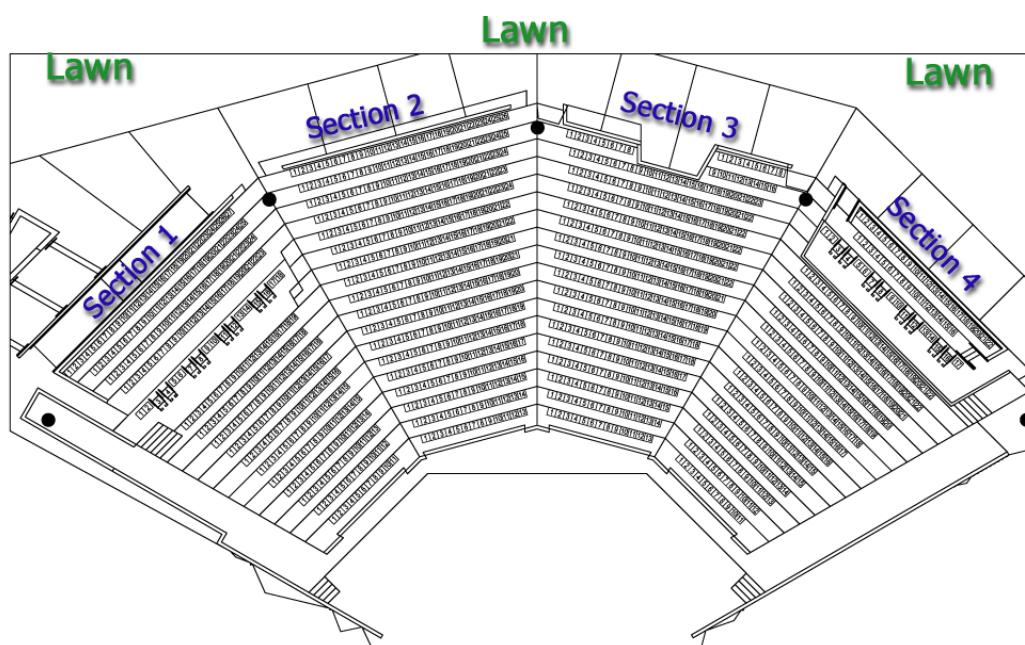
## Beaver Creek, Colorado

| General Information   |   |  |
|---|---|--|
| Organization Name   | Vilar Center for the Arts   |  |
| Address   | 68 Avondale Lane (in Market Square Building)  |  |
| Contacts/ Position  | Shelley Woodworth (Vilar), Chris Emmer (GRFA)   |  |
| Email   | <a href="mailto:swoodworth@vvf.org">swoodworth@vvf.org</a> / <a href="mailto:cemmer@vvf.org">cemmer@vvf.org</a> |  |
| Phone/ Fax/ Website   | <a href="http://www.vilarcenter.org">www.vilarcenter.org</a>  |  |
| Category (circle one)   | municipal, other gov't _____ X nonprofit, private   |  |
| Facility Ownership  | Vail Valley Foundation (501(c)3) ("adopted" previous Vilar Center Arts Fnda.)                                   |  |
| Facility Management   | Vail Valley Foundation  |  |
| Description (4-wall rental, present'g, city partnership, etc.)  | Combined use. Don't produce but do present touring groups (VVF books 50-60 shows in winter, 20-30 in summer.)   |  |
| Conference Center or Amphitheater connection?   | Gerald R. Ford Amphitheater (GRFA) also managed by VVF  |  |
| Governance Description (board type, members, etc)   | <b>Vilar Center:</b> 18-member subcommittee of VVF board.   | <b>GRFA:</b> governed by VP-Operations (part of VVF)   |
| Attendance  |   |  |
| Annual Total (year)   | 35,000  | 125,000 to 175,000   |
| Come From?  | 76% Eagle & Summit Co., 22% other states, 2% Int'l (mostly England, Mexico)                                     |  |
|   |   |  |
| Facility Description  |   |  |
| Year Built/ Updates   | Vilar Center: 1998  | GRFA: 1987/ 2001   |
| Cost when built   | \$20M total   | \$10M total  |
| Does construction cost include: Site <u>X</u> Parking _____ Landscape _____ Architect & other fees <u>X</u> Owners costs <u>X</u> |   |  |
| Total square feet   | 33,000  | NA   |
| Site size   | <b>Vilar Center:</b> NA – below ice rink  | <b>GRFA:</b> slightly less than 2 acres  |
| Parking   | Vilar Center: 200 (paid), 1000 (complimentary, 10-min. shuttle bus ride)  | No on-site parking. Free parking in nearby structures for 200 cars, other parking \$5 fee short walk away. |
| Venue Name  | Venue 1<br><b>Vilar Center for the Arts</b>   | Venue 2<br><b>Ford Amphitheater (GRFA)</b>   |
| Seating Capacity  | 530   | 2,500 (1,263 seats in covered area)  |
| Total Use Days/ Year  | In excess of 200 (~65%)   | 80 (of 90-day season) (~90%)   |
| Users: % Resident Co  | -   | 30 - 40% (use by "anchor" groups)  |
| % Commercial Rental   | 30%   | 30%  |
| %Community Rental   | <b>Vilar Center:</b> 15%  | <b>GRFA:</b> 30%   |
| % Presenting Events   | 50%   | -  |
| % Other   | 5%  | -  |

|   |   |  |
|---|---|--|
| <b>Rental Rate Range</b><br>(weekday-weekend)<br>per performance: | \$1,500 to \$5,000<br>(for nonprofit donation events, just recoup hard costs, have floating rate that is flexible for events like memorial services. Top fee is for corporate events) | \$1,000 to \$1,800<br>(nonprofit to commercial)<br>GRFA made available to community groups at below-market value as a public service |
|---|---|--|

| <b>Staffing</b>  |  |  |
|--|--|--|
| Permanent (FT/ PT)   | 20 year-round (18 FT, 2 PT) of that 18, 10 are dedicated to Vilar Center, 8 are non-dedicated (also work at other VVF tasks) | 1 year-round (gen'l mgr),<br>Seasonal: 6FT (4 box office, product'n mgr, house mgr), 2 PT (box office) |
| Contract   | Can hire a max. of 25-30 crew for up to 2 days   | Contract out concessions (bar, food service, etc.) ~25 people (4 FT, 21 PT)                            |
| Volunteer  | -  |  |
| <b>Finances: Operating budget, Vilar Center: \$2,500,000 GRFA: \$450,000</b> |  |  |
| <b>REVENUE</b>   | \$1,875,000 (2002)   | \$400,000 (2003)   |
| Earned   | \$111K (rental income)   | 75% (rentals)  |
| City/ Govt Subsidy   | \$1,210,000 (\$960K Beaver Creek Resort, \$250K Metro District)  |  |
| Corp. Sponsors   | \$14K (mostly in-kind)   | 25% (BMW, Westar Bank, etc.)   |
| Individual Gifts   | \$489K (patron support)  |  |
| Grants   |  |  |
| Endowments   | \$18K  |  |
| Other  | \$33K  |  |
| Source of Govt Subsidy   | X special tax, hotel/motel or transient occup. tax, gen'l fund, other  |  |
| Subsidy Explanation:   | 1% "art tax" added to all goods bought & sold – revenue goes to Center, typically \$750K - \$1M (see gov't subsidy, above)   |  |
| <b>Total Expense</b>   | <b>Vilar Center: \$2,693,000</b>   | <b>GRFA: \$460,000</b>   |
| % Personnel  | 37% (\$733K labor/benes, \$256K G&A)   | 30-40%   |
| % Programs   | 42% (\$956K gen'l prog, \$160K Festival)   | 15%  |
| % Marketing  | 8% sales & mktg (\$213K)   | 10%  |
| % Facil. (maint.)  | (see personnel, above)   | 25%  |
| % Utilities  |  |  |
| Other  | 14% (\$243K interest on loans, \$48K capital, \$35K devel., 40K other)   | 10%  |
| Interviewer Comments   | Beaver Creek venues are very connected to the Beaver Creek Resort Company, on whose property the Center is situated.         |  |

### Gerald R. Ford Amphitheater in Ford Park



## Cedar City, Utah

### 5. Setting

Considered the gateway to the nation's largest national parks, monuments and forests, Cedar City is known as "Festival City USA". With a population of about 22,000, the area welcomes a significant number of tourists each summer, many coming for the festivals (Utah Shakespearean, Western Arts, Thunderbird Film, Children's Art, Fall Arts, Children's Christmas) as well as Groovefest, Utah Summer Games, and the July Jamboree & Car Show. Although no one tracks the total, it is known that from 7,000 to 10,000 people attend the State Games for two weeks in June and the Shakespearean Festival typically draws between 135,000 and 150,000. Cedar City Regional Airport is 1 mile from town with 3 flights from Salt Lake City daily. Other alternatives are Salt Lake City (4-hour drive) or Las Vegas (3-hour drive).



### 6. Components of Research

#### Theaters:

- ✓ **Heritage Center Performing Arts & Convention Center**— built in 2002, the City-owned and operated 986-seat theater is part of a complex of buildings that include a parking garage, retail and office space, and convention & meeting rooms. The theater has the largest stage between Las Vegas and Salt Lake City. (Details below). Constituent groups: Cedar City Music Arts, The Master Singers, The Utah Neil Simon Festival, and Orchestra of Southern Utah (OSU).
  - ✓ **Utah Shakespearean Festival's main theaters.** In addition to existing (819-seat and 769-seat) theaters listed below, the Festival plans to add a Renaissance study center within the next decade, thus completing the Utah Shakespearean Festival Centre for the Performing Arts. Its 2003 season attracted nearly 150,000 ticket-holders to its 185 performances during its 10.5-week summer season. After a 2.5-week break, the organization hosts a 6-week fall season, running to the end of October. A 501c3, the Festival operates with a \$5.5M budget, 80% earned (tickets and concessions), 20% contributed. They have a commercial partner.
1. **Adams Shakespearean Theatre** – dedicated in 1977, the outdoor venue is located on the campus of Southern Utah University and is patterned after 16<sup>th</sup> century Tudor stages. It seats 819 plus 66 gallery-bench or standing-room seats. When it rains, events are held in Auditorium Theater.

2. **Randall L. Jones Theatre** – built in 1989 at a cost of \$5.5M, the indoor state-of-the-art venue seats 769.
3. **Auditorium Theater, Southern Utah University campus**

### **Amphitheaters and Outdoor Venues:**

1. **Adams Shakespearean Theatre** (see 2a above)
2. **Hogan Outdoor Stage** (a plaza area at the Heritage Center seating 100 to 200 on movable chairs.)

### **Convention Facilities:**

15. **Heritage Center/ Festival Hall** – In 2003, the City added a building adjoining Heritage Theater to house retail and office space. When the desired occupancy was not achieved, the top floor was turned into a city-run “convention center”, (12,000 sf) divisible into 8 meeting rooms and a commercial kitchen. The theater building also has conference room capabilities on the lower floor – flexible space that can be one large room or divisible into as many as four breakout rooms.

### **16. Other Convention & Conference Facilities:**

- a) Hampton Inn – 1,000 sf located next to the Providence Center, a popular retail/dining/ and entertainment center.
- b) Southern Utah University – several sites are available:
  1. Haze Hunter Conference Center – a variety of rooms for meeting and dining events.
  2. Sharwan Smith Center – the largest combined meeting/dining facility in the county, consisting of a 10,000 sf ballroom, 6 meeting rooms and a lobby.
  3. Mountain Center – located 10 miles up the canyon, the facility offers a secluded atmosphere for informal retreats, workshops and private gatherings.
- c) Aspen Conference Center at Cedar Breaks Lodge (in Brian Head) -- the facility’s largest room (Aspens) is approximately 1,800 sf and can accommodate 126 in a theater configuration or 90 for classroom or banquet use. It can be subdivided into two rooms (Aspens North and South) for 535 and 730 sf. There is also Bristlecone Boardroom, an oak-paneled room with plush leather chairs, fireplace and large bookcases for an elegant, professional setting.

### **17. Hotels:**

The Tourism and Convention Bureau (for Cedar City and Brian Head) lists 14 hotels that can accommodate tour groups. The total number of rooms is approximately 1,100. Hotels range in size from 47 rooms to 157 rooms. When bed & breakfasts and small inns are included, the area can accommodate about 1,200 people.

### **Tourism**

The City doesn’t track and information from the Tourism & Convention Bureau is spotty. The UT Shakespearean Festival considers 96% of its audience to be regional (65% UT, 25% Clark County, Nevada [the I-15 corridor], 6% CA, AZ, CO, ID). National attendance is about 4% with International too small to factor in. The average patron attends 2.5 shows, probably equating to a 2-4 day stay in the area.

**Cedar City, UT**

| <b>General Information</b>   |  |                                      |         |
|--|--|--------------------------------------|---------|
| Organization Name  | Cedar City Heritage Performing Arts Theater  |                                      |         |
| Address  | 105 N. 100 East, Cedar City, Utah 84720  |                                      |         |
| Contacts/ Position   | Mr. Bill Lebach, theater director; LaRee (Tourism & Convention Bureau), and Donna Law (Shakespearean Festival)   |                                      |         |
| Email  | blebach@heritagectr.org  |                                      |         |
| Phone/ Fax/ Website  | 435-865-2899   |                                      |         |
| Category (circle one)  | X municipal,      other gov't      nonprofit,      private   |                                      |         |
| Facility Ownership   | city   |                                      |         |
| Facility Management  | city   |                                      |         |
| Description (4-wall rental, present'g, city partnership, etc.)   | 4-wall rental predominantly. Minimal presenting (see below)  |                                      |         |
| Conference Center or Amphitheater connection?  | 4 breakout rooms (or 1 large or 2 half-rooms) with warm-up kitchen on lower level. Larger conference rooms (up to 8 when subdivided) with commercial kitchen in adjacent building, also city-owned |                                      |         |
| Governance Description (board type, members, etc)  | Facility was planned as 501c3 but new mayor determined to manage the arts directly so it is a municipal entity with funds coming from general fund. City Council and Mayor oversee operations.     |                                      |         |
| <b>Attendance</b>  |  |                                      |         |
| Annual Total (year)  | 30,000 in first year of operation  |                                      |         |
| Come From?   | 95% local      5% non-local (tourist, etc)   |                                      |         |
| Other Demographics   | Don't track – no incentive for the city to do so   |                                      |         |
| <b>Facility Description</b>  |  |                                      |         |
| Year Built/ Updates  | 2002, 2003 (some work still ongoing)   |                                      |         |
| Cost when built  | \$9M total cost (for theater bldg only). Entire project (city offices, parking garage, retail, theater, etc.) \$42M --   |                                      |         |
| Does construction cost include: Site <input checked="" type="checkbox"/> Parking <input checked="" type="checkbox"/> Landscape <input checked="" type="checkbox"/> Architect & other fees <input checked="" type="checkbox"/> Owners costs <input checked="" type="checkbox"/> |  |                                      |         |
| Total square feet  | 48,000 (theater bldg)  | Parking: 450 cars in adjacent garage |         |
| Site size  |  |                                      |         |
| Venue Name   | Venue 1<br>Heritage Center Theater   | Venue 2                              | Venue 3 |
| Seating Capacity   | 986  |                                      |         |
| Total Use Days/ Year   | 150 (includes lobby use)   |                                      |         |
| Users: % Resident Co   |  |                                      |         |
| % Commercial Rental  |  |                                      |         |
| % Community Rental   | 99%  |                                      |         |
| % Presenting Events  | 1%   |                                      |         |
| % Other  |  |                                      |         |
| <b>Rental Rate Range</b><br>(weekday-weekend)<br>per performance:  | Constituent groups: \$200-400, Non-profits: \$300-600, Standard: \$500-\$1,000.<br>For more details, see attached rental sheet   |                                      |         |

| <b>Staffing</b>  |  |
|--|--|
| Permanent (FT/ PT)   | 2 FT: theater director & tech director, 1 PT: box office. All city employees   |
| Contract   | -  |
| Volunteer  | -  |
| <b>Finances: Operating budget \$275K this year, \$250K last year</b> |  |
| <b>REVENUE</b>   | Total: \$275K 50% earned vs. 50% contributed   |
| City/ Govt Subsidy   | from General Fund  |
| Corp. Sponsors   |  |
| Individual Gifts   | minimal  |
| Grants   | no   |
| Other  | Poor fund-raising, grant scenario under city auspices. No dedicated tax for arts   |
| Source of Govt Subsidy   | special tax, hotel/motel or transient occup. tax, genl fund, other<br>(there is a bed tax but revenue goes directly to County for adv'g/ marketing)                                |
| <b>EXPENSES: Total</b>   | \$278,500  |
| %Personnel   | 50% (37% permanent staff, 13% temp salaries)   |
| %Programs  | 16% (presenting budget)  |
| %Marketing   | -  |
| %Facilities (maint.)   | 9%   |
| %Utilities   | 14%  |
| Other  | 6% insurance & bonds, 5% parking assessment (for garage use)   |
| Interviewer Comments   | For a city of 22,000 inhabitants to expend \$42M on a civic and cultural center is remarkable. One of the facility's best revenue sources is the lobby, heavily used for weddings. |

***Heritage Center:***



***Utah Shakespearean Festival:***

Adams Memorial Shakespearean Theatre



The Randall L. Jones Theatre



## Big Bear Lake, California

### 7. Setting

Near the San Bernadino National Forest at an elevation of 7,000 feet and 100 miles NE of Los Angeles, Big Bear Lake is a major resort destination for Southern Californians, about an hour's drive from San Bernadino (and a 7-hour drive from Sedona.) Area attractions include a golf course, two ski areas, several marinas, a solar observatory, an animal park and many lake-related sites. Second homeowners constitute about 80% of Big Bear Lake's population. Tourists not arriving by car typically fly into Ontario airport, a 2-hour drive away.

### 8. Components of Research



#### Theaters:

**Big Bear Lake Performing Arts Center** – The Big Bear Lake Performing Arts Center is a 398-seat building overlooking the lake. It was built in 1988 with the City's Improvement Agency as the funding mechanism. The PAC is part of a civic complex on 10 acres of land donated to the city. The roughly 36,000-sf complex is configured as follows: government offices 20,310 sf; the PAC and multi-purpose area 13,656 sf, and community meeting areas 1,344 sf. The **parking** lot accommodates 166 cars. Because the venue is attached to City Hall, the PAC is often used for civic meetings. The box office and ticket sales are active year-round but the theater is considered a 10-month operation, rarely used in January and February.

**Rental fees** for the facility are low. For example, the rental fee for an event in the lobby (5 hours, including full staff and full kitchen use) is \$61. (For further details on rental fees, see chart below) Tickets to PAC events fall into two categories. Full series discounted tickets are purchased by full-time residents, for the most part.



Second-home owners account for the largest segment of individual ticket sales. City-sponsored shows include a complimentary wine/champagne/cheese bar, with patrons served by PAC administrative staff. User groups run their own concessions and keep all proceeds. A goal for

2004 is to establish a PAC Foundation. The City's budget for Film/Performing Arts Center is divided as follows: PAC 52%, PAC/City Events 16%, PAC/User Events 17%, and Film Office 15%.

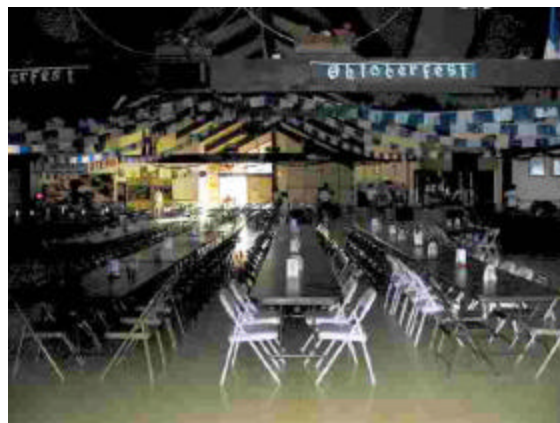
### **Amphitheaters and Outdoor Venues:**

No amphitheaters in Big Bear Lake. There are outdoor areas sometimes used for musical events (see Convention Center at Big Bear Lake, below.)

### **Convention Facilities:**

#### **18. The Convention Center at Big Bear Lake –**

This is Southern California's largest meeting & event facility located in the mountains. Owned by Big Bear Enterprises LLC, the Center is on a 3-acre site with over 11,300 sf of indoor meeting space and an outdoor garden pavilion. It is used for conferences, executive meetings, training seminars, workshops, business retreats, festivals, celebrations and weddings/receptions. Its Grand Hall accommodates 940 theater-style and 445 banquet-style. There are 3 breakout rooms (capacity 200 for theater, 100-banquet-style). When the components are fully opened, the venue can accommodate 1,400 theater-style. There is a full-service kitchen, two full-service bars and a 10x20-foot stage. The Pavilion consists of a garden area, picnic tables, 25 permanent crafts booths, and outdoor snack shop and is lighted and wired for musical events.



#### **19. Other Convention & Conference Facilities:**

- d) Holiday Inn Big Bear Chateau –
- e) Northwoods Resort & Conference Center –

#### **20. Hotels:**

See above.

### **Tourism**

Most visitors stay at least one night because of the mountainous location.

## Big Bear Lake, California

| General Information   |  |
|---|--|
| Organization Name   | Big Bear Lake Performing Arts Center/ City of Big Bear Lake  |
| Address   | Big Bear Lake, CA  |
| Contacts/ Position  | Susi Payne, Asst. Manager PAC  |
| Email   | spayne@citybigbearlake.com   |
| Phone/ Fax/ Website   | 909-866-4970   |
| Category (circle one)   | <input checked="" type="checkbox"/> municipal,      other gov't _____      nonprofit,      private                               |
| Facility Ownership  | City   |
| Facility Management   | City   |
| Description (4-wall rental, present'g, city partnership, etc.)  | Multi-use... mostly user group rentals, some city productions. Working toward adding more city productions and national tours.   |
| Conference Center or Amphitheater connection?   | Conference centers, no amphitheater  |
| Governance Description (board type, members, etc)   | All staff employed by city, reporting to city council, city manager.   |
| Attendance  |  |
| Annual Total (year)   | Total figure coming. Attendance varies from 47 to 400. Seven City events averaged 351 in attendance, about a 90% occupancy rate. |
| Come From?  | Mostly Southern California   |
| Other Demographics  | Not tracked  |
| Facility Description  |  |
| Year Built/ Updates   | 1988   |
| Cost when built   | \$4M (land donated)  |
| Does construction cost include: Site NO    Parking _____    Landscape _____    Architect & other fees _____    Owners costs _____ |  |
| Total square feet   | 13,650      Parking: 166 (for whole complex)   |
| Site size   | 10 acres (entire complex, including City Hall)   |
| Venue Name  | Big Bear Lake Performing Arts Center   |
| Seating Capacity  | 396  |
| Total Use Days/ Year  | Approx. 200  |
| Users: % Resident Co  | NA   |
| % Commercial Rental   | 5%   |
| %Community Rental   | 86%  |
| % Presenting Events   | 5%   |
| % Other   | 4%   |
| <b>Rental Rate Range</b><br>(weekday-weekend)<br>per performance:   | 3-tier system: Each performance (6 hr) - For-profit \$385, Non-profit \$220, Schools \$110                                       |

| <b>Staffing</b>  |   |
|--|---|
| Permanent (FT/ PT)                                     | 2.8 -- 2 FT administrative, 1 PT janitor (32 hrs/wk), all city employees  |
| Contract   | -   |
| Volunteer  | 20 regular volunteers (ushers, etc)   |
| <b>Finances: Operating budget \$439,690 (FY 03/04)</b> |   |
| <b>REVENUE</b>   |   |
| City/ Govt Subsidy                                     |   |
| Corp. Sponsors   |   |
| Individual Gifts                                       |   |
| Grants   |   |
| Other  |   |
| Source of Govt Subsidy                                 | special tax, hotel/motel or transient occup. tax, genl fund, other  |
| <b>EXPENSES: Total</b>                                 | \$439,690   |
| %Personnel   | 23%   |
| % <b>Direct Alloca.</b>                                | 43% (phone, print, equipmt lease, insurance, info serv, bldg occupancy)   |
| %Marketing   |   |
| %Facilities (maint.)                                   | 33%   |
| %Utilities   | 0 (City pays all utilities)   |
| Other  |   |
| <b>Add'l Line Items for PAC in City Budget:</b>        | <u>City Events</u> : Total \$80,910 (23% personnel, 76% M&O, 1% direct alloca.)<br><u>User Groups</u> : Total \$88,440 (78% personnel, 16% M&O, 6% direct alloca) |